

Leadership Update

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Special points of interest:

- We cannot control the circumstances that impact upon us. But we can control our response to these.
- To believe in the reality of choice is one of the most basic characteristics of leadership.

Leadership wanted—NOW! ...

In my last newsletter for 2008 I made the call: **Stop Managing and Lead.** Since then I have read *The Collapse of Globalism* - the latest book by John Ralston Saul, one of today's leading thinkers. In this he writes:

"To believe in the reality of choice is one of the most basic characteristics of leadership. Curiously enough, many individuals who think of themselves as leaders find this reality very difficult. They believe that their job is to understand power and management and perhaps to make minor corrections to what they accept to be the torque of events. But they take for granted the reigning truths of the day and so are fundamentally passive.

As a result, change is eventually thrust upon them by reality. Or they are replaced. In either case, the strength of that particular civilization - its ability to

choose - is weakened. ...

... if leadership is reduced to management, well then problems are not to be solved. They are to be managed. In fact, they are no longer problems."

The world economic crisis, the current disasters in the Middle East (especially the Israeli—Palestinian conflict), the problems in Africa, and all the others we face globally are, in fact, problems that can be solved. However, as Saul makes clear, we will never solve them while we operate in a management mode.

We need leadership that will bring about real change.

In the economic sphere this means openly and widely acknowledging that the emphasis on global economics to the detriment of real care for people has totally and utterly failed. In areas such as the Israel-Palestinian conflict this

means ceasing to demonise either side and acknowledging that both sides have equal rights—and both sides have much to answer for. And so on.

This is totally lacking from our world "leaders".

Until our world "leaders" have the intestinal fortitude to admit mistakes and take action to correct them, the problems will persist and increasing numbers of totally innocent people will continue to die through conflict, hunger, disease, and neglect.

The same is true on a national scene and in the areas in which each of us operates and has influence.

We have a choice.

We can manage issues or we can solve problems.

Managing issues has been shown not to work. We need leaders and leadership—solving problems and moving forward.

... with integrity!

When researching **Leaders: diamonds or cubic zirconia** people spoke to me of integrity as being the consistency between what one espouses and what one is seen to do. The USA and the west in general speaks of democracy but our actions show that this is a qualified approach—our actions show that we mean a democratically elected

government with which we agree. We speak of the need to combat terrorism, yet we institute state initiated terrorism—warfare—instead of using police to apprehend the perpetrators and we use gulags such as Guantanamo Bay instead of the normal courts in order to prosecute suspects and imprison those found guilty. We talk of peace but our actions show

that we believe bullying is acceptable if done "for the right motive".

The biggest leadership challenge of today is to practice what we preach. If we believe in peace and democracy we need to show that in our actions.

Right now our leaders fail to do this—and, largely, so do the rest of us!

What do we communicate?

I finished 2008 with a description of the VIA processes developed by Tero Kauppinen, Bo Gyllenpalm, and myself in the early 1990's. I called for the development of "a bluer planet" - a world in which violence and coercion are rejected and in which people at all times and in every way treat everyone with unconditional respect.

It is the action of demonstrating unconditional respect that communicates whether our claims to believe in a non discriminatory, peaceful, positive society is a truth or a lie. If we cannot

distinguish between an individual *per se* and the actions of that individual then we cannot show unconditional respect. We need to learn how to deal with unacceptable behaviour without denigrating the person.

The question our leaders need to face and the question each one of us needs to face is: "What do our actions communicate about our words?" When the crunch comes, people will believe what they see rather than what they hear. As we all know, its far easier to predict what a person believes by

watching their actions than it is to predict their actions by listening to their words.

John Ralston Saul makes the point that leaders solve problems—managers deal with issues. As we move into 2009 are we going to be solving problems—are we going to be leaders? It is how we are seen to act that will determine this.

I can't help but feel that US President Obama is going to have great difficulty in showing leadership given the current US culture.

We don't have to have mediocrity

Saul also states "... *The sign of mediocre leaders is that ... they compensate for their lack of talent or ethical centre or intelligence or courage with a conviction that the forces of inevitability are at work. These forces may be said to be divine or they may be something else treated as a divinity – rationality, for example, or technology or market forces.*"

This is going to create a challenge for all of us in 2009. We know that the world economy is a basket-case. We know that money is tight and both businesses and individuals are belt-

tightening to conserve what funds they do have. And from statements already made at government and senior business-leader levels, it is clear that some will use these facts as compensation for their own inadequacies. We cannot control the circumstances that impact upon us. But we can control our response to these.

This is where the "red zone-blue zone" approaches I raised last year come into play. Red Zone approaches will be reactionary and seek to maintain the status quo. Almost certainly the result will be increasing frustra-

Leaders solve problems— managers deal with issues

tion. Blue Zone approaches will seek to learn new things. Blue Zone approaches will accept the reality of what is and then seek to move forward into the unknown, confident that even though errors will be made these can be acknowledged and corrected so that the end result is positive.

Blue Zone approaches will also seek to be people orientated rather than simply economics dominated.

People are at least as important as economics

A few days ago I was approached by the media to comment on the problems organizations will face as they reduce staff levels in order to survive through difficult times. I made the point that productivity can't evaluate ideas, corporate memory or corporate loyalty or leadership. I stated that, while in a declining economic envi-

ronment, redundancies and lay-offs are par for the course, there should be two critical considerations – how can we survive now; and how can we prepare ourselves for the improvement that will eventually come. A key component of this is providing support not only to those who leave – but also to those who stay. After all, it is those

who stay who are seen by management as providing the core foundation for the good times ahead. It will be interesting to see how many organizations are lead through this period rather than managed. Those managed will lose many of their really good people: those lead will ensure that they are preparing for when times improve.

Bushfires and Floods

Early February has seen the worst bushfires in recorded Australian history. As I write this, in Victoria, well over 180 people are known to have died and property loss is astronomical including in excess of 1000 homes destroyed. Simultaneously we have devastating floods in North Queensland.

Amid all the tragedy we are starting to hear stories of great heroism—true heroism as opposed to that which is generally trotted out by the media—and real leadership. We will hear much more of this in coming days as stories are recorded and, eventually, as the various enquiries piece together the full story.

Symbolic Actions

Some years ago I wrote about the importance of symbolism then Prime Minister John Howard provided when, following the Port Arthur Massacre, he met with the families of the bereaved and sought to assure them that he had some understanding of their pain. He could not fully understand how they felt nor could he do anything practical to actually alleviate their pain, but the fact of coming to see them and listening to them provided a very powerful and very positive symbol of the fact that other Australians really cared.

The same symbolism has now been seen from Prime Minister Kevin Rudd. Like John Howard, from what was seen on TV he seemed to avoid uttering platitudes and preferred to simply show that he cared—providing the symbolism that Australia cares.

Sometimes leaders seem to forget the importance of symbols.

There is a difference between “leadership” - a shared activity—and

Why is it that it takes such emergencies before we start to again realize that there is far more to life than personal or national economics. Of course economics are important at all levels—personal, corporate, national and international—but for the past 25 or so years it seems as though economics have become the sine qua non of success. The result is the huge financial mess now faced internationally.

I co-ordinated the State Relief Centre operations in Victoria for the Ash Wednesday Bush Fires (16 Feb 1983) and, listening to people talking about their experiences as they fled the flames, drove home to me that, when the crunch comes, items of property—

“things” - are just that. The really important things in life are life itself and the relationship we have with others.

These fires are way beyond anything with which we dealt on Ash Wednesday—more people affected and material losses far higher—yet again I am hearing people give the same message. Ultimately what you have isn’t really important.

The late John Saunders, co-founder of the Westfield Group and founder of the Terrace Tower Group, is reputed to have said “He who has life has hope: he who has hope has everything.”

Leadership is about giving people hope and enabling them to succeed.

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“leaders leading” - the actions of individual leaders. If “leadership” is to be successful then part of the work of “a leader” is to provide positive symbolism to which followers can relate and which encourages them to feel that they can trust their leaders. Its about giving people some hope and letting them know that the leadership will provide an environment in which they can come through today’s problems and be successful in the future.

Today it is not only the people experiencing trauma and tragedy because of floods and/or bushfires who need to see positive symbolism. The need is just as great for those experiencing financial and emotional difficulty because of the economic problems being experienced worldwide.

I hear of people losing their jobs and/or their homes and I am becoming

increasingly aware of the impact this has on marriages and families as well as on friendships. And I wonder when our national and state leaders—as well as our civic and business leaders—will find a way of providing these with the symbolic leadership they need. Its not easy for those who have never experienced underemployment or unemployment and who have never been threatened with legal action or eviction to understand or relate to those who are experiencing these right now. Yet this is a critical need—and one that will become even more prevalent as the economy continues its downward slide.

While we rightly care for those affected by fire and flood, let’s not forget those affected by the economy—they need positive symbolism, too.

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Blue Zone Optimism

A “red zone” culture is typified by pessimism, disengagement, and being self-centred. It is focused on “my survival” in a hostile environment.

We are seeing a lot of this today.

When organizations seek and obtain huge government bailouts then use much of that money to pay bonuses to the very people whose actions helped cause the crisis we see a red culture. When the only message coming from political and business leaders is one of doom and gloom, we see a red culture. When financiers refuse to provide money that will assist viable businesses to survive and cease to provide credit to people who only a few weeks ago were considered to be good credit risks, we see a red culture. When lives are seriously damaged or destroyed because economics take precedence over people, we

see a red culture.

One of my uncles (who died in the early 70's) was a very successful banker in one of the country's major and very profitable banks who, after being CEO for some years, became its Chairman. I remember him telling me that a good banker lent to the person—the assets were incidental. He maintained that if a banker really knew his clients then he knew he could lend and would be repaid no matter what the securitised backing for the loan might be.

I thought of him recently when I was rereading *Nothing is Impossible: the John Saunders story* by Gabriel Kune (1999, Scribe Publications, Melbourne). In this, Kune describes how Saunders was helped by people who believed in him and who clearly had the philosophy espoused by my uncle.

Our red zone cultures have moved us away from this. With the dominance of economic rationalism we have moved away from trust. A few years ago, a bank manager friend told me, “we are not allowed to have true relationships with customers—when it is felt we are getting too friendly, we are moved on and only computers can make decisions about credit.”

And we wonder why we are in an economic mess!!

The Blue Zone is the area of optimism. It seeks to have relationships and to find ways of growing both individually and collectively. It provides a culture of optimism, commitment, and collaboration.

We need a bluer world.

What is each of us doing to bring this about?