

Design your Personalised Contingent Leadership Approach¹

“According to a recent Fortune survey, only 7 percent of CEOs believe their companies are building effective global leaders, and just 10 percent said that their leadership-development initiatives have a clear business impact. Our latest research has a similar message: only 11 percent of more than 500 executives we polled around the globe strongly agreed with the statement that their leadership-development interventions achieve and sustain the desired results.”

Feser C, Nielsen N, and Rennie M. *What’s missing in leadership development?*
McKinsey Quarterly August 2017

Introduction

The importance of leadership development is attested by the investment U.S. companies made of almost \$15.5 billion in 2013 on leadership development. It is also important to note that as at 2013 this investment is estimated to be increasing annually by about 14%.² Further, a relationship between investment in leadership development and organisational return on assets performance has been shown to exist.³ Given its scale and importance, it is essential that such investment is effectively allocated. Our experience over the past 17 years has benefited from insights generated by the successful doctoral candidates through their doctoral contributions to applied business leadership.⁴

We propose that leadership development should be directed towards assisting leaders make explicit the systemic components of the coherent and inter-related mental models that underpin their personal contingent leadership approach, given their evolving and unique self and context. These inter-related mental models are collectively referred to as the leader’s personal contingent leadership paradigm (PCLP) (see Diagram 1 below).

¹ Fayed R., Design your Personalised Contingent Leadership Approach, *AGSL Working paper 6*, (2017) Note – The terms approach and paradigm are used inter-changeably, both are concerned with how we view our context reality and as a consequence act and learn.

² Bersin by Deloitte’s new *Leadership Development Factbook 2014: Benchmarks and Trends in U.S. Leadership Development*,

³ D Døjbak Haakonsson - 2008 - *How failure to align organizational climate and leadership style affects performance*. Emerald Group Publishing Limited.

Perez S, *The ROI of Talent Development*, UNC Executive Development 2014 - <http://www.kenan-flagler.unc.edu/~media/Files/documents/executive-development/unc-white-paper-the-ROI-of-talent-development.pdf> [and](#)

<http://www.skilledup.com/insights/how-top-companies-make-the-roi-case-for-employee-training>
[Hankinson](#)

⁴ The Professional Doctoral Program entitled ‘Doctor of Business Leadership’ (DBL) offered by the Australian Graduate School of Leadership at Torrens University Australia – A Laureate International University

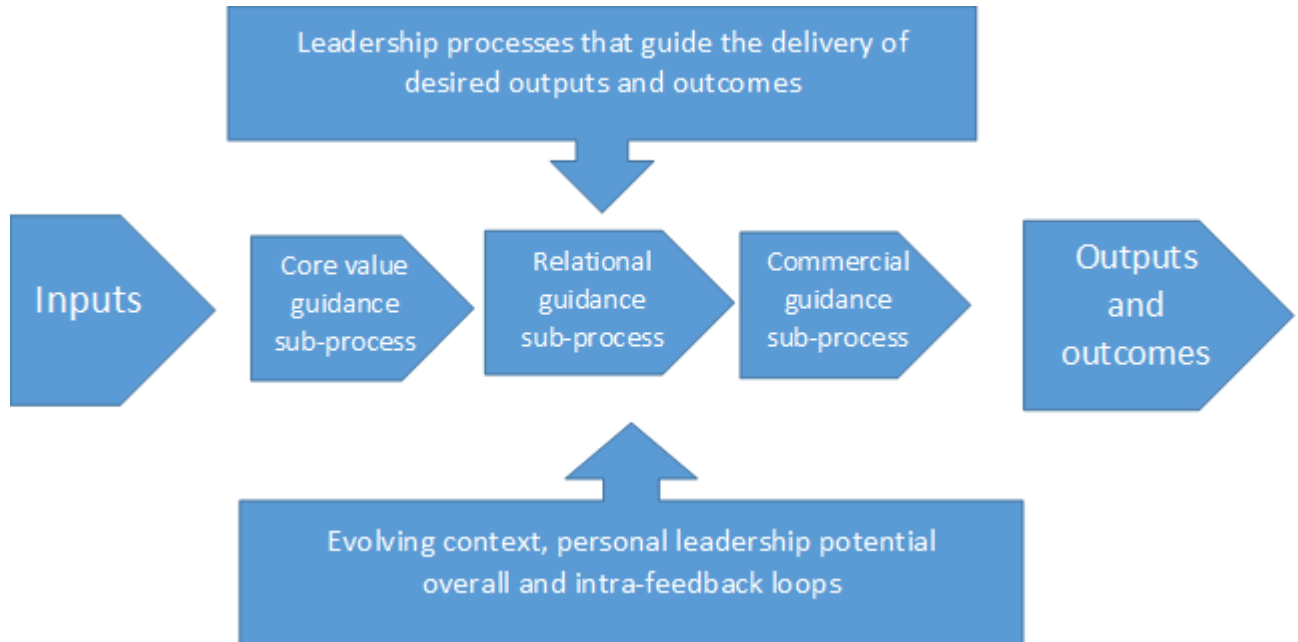
A PCLP can be viewed a justified self-understanding by a leader of their approach to leadership given who they are and the evolving leadership context in which they are embedded. As a starting point and at a minimum the following will need to be identified and specified initially, in broad terms:

1. A set of personal core values;
2. Relational action guidelines;
3. Commercial action guidelines; and
4. Key learning feedback loops.

To get started with an initial PCLP specification you could view, enterprises as evolving from a generic hierarchical approach along three possible and distinctive generic pathways.⁵ Each pathway is characterised by a set of shared views as to the appropriate generic leadership approach given the characteristics of their evolving context. If it is possible to identify where you are on these pathways the generic leadership behaviour may provide you with a PCLP specification starting point.⁶ Each PCLP component will then need to be developed progressively in more

This leadership development approach therefore, involves a progressively developed understanding of what underpins a leaders' current PCLP and what needs to be done to develop a desired adaptive PCLP.

Diagram 1: Personalised Contingent Leadership Paradigm - A System Perspective



⁵ Fayed R., Generic leadership Approaches, *AGSL Working Paper 8* (2018)

⁶ Ibid

Note: Different leaders will conceptualise their PCLP in diverse ways they may conceive their overall PCLP as having different:

1. Sub-processes that are related on a circularly, serially (as above), or in parallel basis;
2. Sub-divided processes;
3. Control and learning mechanism for each sub-system
4. Inputs, outputs and outcomes; and
5. Overall, inter and intra feedback loops

No matter how each leader conceives their PCLP provided appropriate feedback loops are included their PCLP will be adaptive. The components of the PCLP model presented above are outlined below:

1. Inputs - What a leader needs to know to be able to determine how to act include:

Distal developments; including; relevant political, economic, social, technological, and environmental developments, highlighting potential threats and opportunities;

Intended strategy; intended strategy emerges from the inter-play between; anticipated developments, leadership's business acumen⁷ and the intended business purpose and the current business model with anticipated changes;

Stakeholder expectations: the shared evolving business context also impact stakeholder expectations, how are these expectations changing? And what are their likely relationship and commercial consequences?

Learning from the past: regarding the overall process and sub- process behaviour. This learning is vital to performance improving and adapting of the future leadership approach to the emerging business context.

2. Leadership processes – in this model three key inter-dependent sub-systems have been conceptualised that collectively guide leadership's overall approach:

- (1) **Personal core values:** drive the formulation of an ethical and meaningful personal and shared purpose supported by the prevailing behavioural norms and organisational

⁷ **Note - Business acumen** comprises;

Relational acumen: The ability to develop, mobilise and adapt stakeholder networks to ensure; the delivery of relevant feedback, the facilitation of required action and the development of relational trust given, the continuously evolving nature of stakeholder networks;

Commercial acumen: The ability to leverage past experience in determining an appropriate mix of commercial action together with the ability to sense or, explicitly specify the nature and level of risks associated with accepting the assumptions that underpin the intended strategy.

Strategic foresight: the ability to anticipates opportunities and threats by:

- (a) Serendipitously identifying opportunity laden connections, patterns and trends;
- (b) Identifying cycles likely to re-occur based on systemic analysis of past behaviour;
- (c) Exploring future possible scenarios.

culture. Where this is not the case, action will need to be taken to establish ethically acceptable joint positions. Critical reflection on past behaviour will reveal the relationship between past espoused core values and those that guided day to day decision making; where gaps exist, the causes will need to be identified and addressed.

(2) **Relational guidance process:** leadership theory proposes a wide range of potential leader/stakeholder relational possibilities. Critically reflecting on your past and current relational behaviour events, together with insights drawn from peer reviewed literature, provides the basis for determining appropriate personal go-forward detailed leadership behavioural guiding concept(s). Some considerations that need to be taken into account when specifying a relational approach include:

- The leadership relational approach you would be comfortable in applying, based on self-understanding drawn from critical reflection on past leadership experiences, particularly those leadership experiences associated with crisis events;
- The stage of development of the enterprise context: during times of start-up, rapid growth, maturity and crisis differentiating relational approaches will be required;
- Typically, during periods of significant disruption, the relational approach adopted will need to be in tune with the emerging organisational culture and empathetically reflect stakeholder expectations;
- Being able to view situations and key assumptions from multiple perspectives with credible trustworthiness to facilitate cross-stakeholder collaborations in a dynamic context.

Note: The relational guidance process ensures; self-understanding, sustainable stakeholder support, the appropriate application of strategic foresight and relational acumen in pursuit of a shared meaningful purpose.

(1) **Commercial guidance process:** Concerns how commercially savvy leaders guide their organisations noting the inter-actions between relational and commercial action can have existential commercial consequences. Business context development may therefore require the reformulation of the organisation's commercial or its relational strategies, and/or driving purpose. Commercial acumen and strategic foresight facilitate adaptation to an evolving business context and from a commercial perspective involves the ability to identify and mobilise an appropriate commercial action mix, drawn from the list below or other possible commercial action, depending on the required strategy suggested by business acumen that needs to be pursued⁸:

⁸ **Note:** All enterprise leaders who secure sustainable commercial success either possess business acumen or, have recruited a support team with a collective business acumen ability that can be mobilised. The business acumen process should result in commercial action that is likely to be broadly understood and therefore more likely to be accurately and consistently applied. Business acumen ability can be acquired or honed through on-going critical reflection on experiences in dealing with commercial and relational risk, reinforced by leadership

- (1) Finding the balance between organic and acquisition driven growth;
- (2) Balancing dividend growth with capital investment;
- (3) Managing cash flow risk;
- (4) Equitably balancing stakeholder returns against each of the contributions they make and the risks they take;
- (5) Minimising overall systemic operating costs;
- (6) Innovatively rethinking the driving business model;
- (7) Changing the balance between borrowed and equity funding; and
- (8) Innovatively shifting strategic action in a direction that reduces risk exposure to its lowest possible level while simultaneously lifting net action payoffs to their highest possible level.

3. **Outputs and outcomes** - the primary output of a PCLP is the leadership action taken, given the implementation adjustments necessary to deal with unanticipated developments. The overall desired outcome is achievement in concert with internal and external stakeholders, given the organisation's agreed joint purpose while securing the satisfaction of current stakeholder expectations and operating within regulatory requirements. Other important outcomes include enhanced business acumen, and strategic and operational learning. A further important PCLP outcome is the reciprocal learning process in which leadership action influences stakeholder expectations and stakeholder action influences the leadership approach adopted and jointly shapes the organisational culture.
4. **System feed-back and feed-forward loops** - all systemic survivability depend on feedback and feed-forward loops that operate at several systemic levels. Any fully functioning PCLP will depend on at least the following loops:
 - a. **Overall loops** - that provide outcome learnings as inputs, including enhanced strategic foresight and business acumen. Overall feedback loops also play a critical role in linking individual leaders to relevant external entities; for example, in securing relevant context development and continuous improvement insights. Finally, overall feedback loops play a key role in aligning leadership's intended behaviour with the evolving context;
 - b. **Intra-processes loops** - for example, critical reflection that modifies the relative priority of core values, beliefs, challenges assumptions or behavioural norms and providing process learning and control improvements;
 - c. **Inter-process loops** - that captures the consequences of positions adopted at one process stage for behaviour in other processes; for example, impact of the selected relational approach on commercial action options.

coaching if required and each of these component leadership guidance processes require an in-built ability to learn from experience and systematically adapt to context changes.

Diverse PCLPs may be evident in organisations that are characterised by distributed or decentralised leadership, which gives rise to the need for an overall leadership approach that flexibly integrates the diverse leadership approaches.

Conclusions

The relationship between leadership approach and context characteristics is an area of broad agreement amongst leadership theorists.⁹ A leader can excel in one set of circumstances and fail in another by persisting with an inappropriate PCLP that drives their leadership approach. The unique nature of any given context faced by a leader should therefore call forth a unique personal contingent response.

As previously suggested, the PCLP that needs to be developed to support this approach involves multiple iterations in a critical reflective journey of self-discovery and assumption challenging complemented by on-going insights drawn from relevant peer reviewed literature. This approach to professional development of future enterprise leadership is particularly compatible with the requirements of professional doctoral level work but can be adapted as a framework for shorter leadership development.

Since 2001, we have been progressively developing the inter-related generic components of the PCLP to provide a framework to flexibly guide this journey of self-discovery. Each doctoral candidate constructs in stages of increasing depth a unique personal contingent leadership approach and determines a personal development strategy, given who they have been, who they are, who they seek to feasibly become as a leader, and their evolving context. So far, every successful candidate has also been able to make, in the view of external examiners, a significant innovative contribution to the practice of leadership utilising versions of the process outlined above. Viewing their doctoral experience in retrospect, these successful candidates all believe the process has significantly contributed to their capacity to adapt their leadership approach to their evolving context in their subsequent careers.

A summary of the suggested development steps is listed below:

- 1. Better understand yourself as a leader** – Selecting one or more leadership behaviour testing procedures and learn more about yourself as a leader. The list below is offered only as a guide:

- (1) Open Psychometric Test Resource,
<https://www.psychometrictest.org.uk/leadership-test/>

- (2) Psychology today,
<https://www.psychologytoday.com/tests/career/leadership-style-test>

⁹ Fayed R. History of leadership thinking, *AGSL working paper No 4* (2017)

(3) The Disc test, to measure your Dominance, Influence, Steadiness and Conscientiousness (**DiSC**),

http://www.thediscpersonalitytest.com/?view=Assessments_disc&gclid=EAlaIQobChMIx6ad1-D2QIVVIC9Ch3YTQBMEAAAYASAAEglzMfD_BwE

(4) Myers–Briggs Type Indicator (**MBTI**) is an introspective self-report questionnaire with the purpose of indicating differing psychological preferences in how people perceive the world around them and make decisions,

<https://www.16personalities.com/free-personality-test>

<http://www.myersbriggs.org/my-mbti-personality-type/take-the-mbti-instrument/home.htm?bhcp=1>

2. **Initial PCLP specification** - Identify the generic leadership approach that may match your current leadership approach as a starting point. Reflect on the details of your current approach to leadership and how this approach has evolved over the past decade. In specifying your current leadership approach, ask yourself questions: How formal do you prefer your relationships with colleagues to be? How do you prefer to go about dealing with leadership issues? What support do you think appropriate to provide team members? How flexible do you feel a leader should be? How do you secure the engagement of your staff? (You should identify other questions from the literature on critical reflection). Think about your leadership experience over the past ten years to find situations that provide evidentiary support for your answers and their PCLP implications.
3. **Understand your context and its dynamics** – Undertaking SWOT, PESTE and Force Field analysis to understand the impact your context is likely to have on your PCLP. Identify your immediate strategic arena¹⁰ and explore the resilience of your PCLP in dealing with anticipated key issues. Given likely developments, how might your PCLP need to evolve?
4. **Continuously enhance your PCLP** – Review previously identified core values (select an appropriate test. For example, <https://www.onlinepersonalitytests.org/corevalues> . Search for recent papers published in peer review journals that support or negate other PCLP positions and assumptions so far incorporated in developing your initial PCLP. Check the inter-relationship logic that underpins your PCLP and verify, modify or delete positions previously adopted in specifying your PCLP.

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¹⁰ Fayed R., Strategic Arena Analysis, *AGSL Working paper 10* (Available June 2018).