

## How Not to Create Heartless Leaders, Mindless Organisations

Regardless of the economic or societal turmoil happening in the world, very passionate and compassionate leaders with strong convictions are the individuals who launch and operate very successful businesses, with the ability to weather any crisis. With personal conviction closely linked to strong feelings about something, it is almost impossible to be very successful if one does not possess passion and compassion. Hence, there exists a positive correlation between very successfully run businesses and passionate and compassionate leadership.

But what about other factors, such as market savvy, technical know-how, international experience, and operational tactics? "When it comes to achieving business success, most people think it is mostly because of the strategy that the business comes up with. Strategy is one part of a whole range of reasons but not the only reason for success," according to Alex Pirouz[1]. "There are a lot of things that amount to the success of an organisation, and leadership without a doubt is one of the main reasons for this success. It may sound like a paradox, but a great leader isn't someone who leads. It's someone other people want to follow." What makes a good leader? Pirouz offers the following qualities:

- Exemplary character. A leader needs to be trusted and live with honesty and integrity.
- Clear communication. Leaders respond to questions, address concerns, and listen with empathy.
- Vision. Leaders possess the vision to break out of the norm and aim for great things, along with the wherewithal to set the steps necessary to get there.
- Positive energy. Intrinsically helpful and genuinely concerned for other people's welfare, they always have a solution and know what to say to inspire and reassure.
- Respect. Strong leaders treat people how they want to be treated. They are ethical and believe that honesty, effort, and reliability form the foundation of success.
   They share information openly and avoid spin control.

All well and good, but over time, many organisations have lost sight of what makes a good leader, instead focusing on achieving mediocre results. Why? Because shareholders held mediocre expectations for the sake of obtaining consistent, stable, and acceptable results. Such organisations and shareholders cherish stability, however inadequate, over creativity and innovation.



Why do people settle for mediocrity when the results can be so much more? According to Victor Lipman[2], tolerating mediocrity is a common management shortcoming for three reasons:

- It represents the path of least resistance. It is all too
  easy for a busy manager to look the other way when an
  employee's work is tolerable but far from great.
- It avoids conflict. Management can often avoid conflict simply by not dealing with it, but there's a high cost to pay. By not addressing mediocre performance, a manager is tacitly accepting it.
- It requires less emotional energy. Management is an inherently stressful role, with constant multitasking.
   Managers may feel that the last thing they need is to spend finite energy on a relatively small battle and, so look the other way.

With such an easy, and apparently acceptable, way out, it is not surprising that overworked and overstressed leaders refuse to go the extra mile. But that approach should not be the norm when mediocre results only serve to reflect poorly on all stakeholders. "Managing for mediocrity is tempting, but in a results-driven world it's not the job management was hired to do," Lipman says. "Management without high

standards is hardly management at all."

Widely accepted mediocre performance metrics and expectations have created an environment where we do not need — or even seek — passionate and compassionate leadership to run businesses. The result is a detrimental combination of heartless leaders (who are not passionate and compassionate) and mindless organisations (that do not leverage the full potential of the business and its workforce to perform significantly better) that have become quite acceptable. Making the situation worse, opaque management practices, governance, and other factors have strengthened the foundation of mediocrity for these organisations and their leadership. They share a single ultimate goal: to deliver mediocre results and nothing more.

But this trend must stop before further damage occurs. Although technology has risen to the challenge by helping organisations become more efficient and productive by bringing more transparency to all functions — operations, customer relations, production, supply chain, finance, sales and marketing — there are two exceptions. Lack of transparency still exists in leadership itself and workforce management. Without more openness in these critical areas, organisations can never leverage the maximum benefits

"Through complete transparency, leaders can create more mindful organisations."



from them. And without that leverage, they cannot perform significantly better unless they hire the right people without bias, develop and promote the right leaders without prejudice, and engage the right employees without favoritism. Today, many organisations fail to capture maximum value because they simply do not know if they have the right talent in the right roles. The whole process of who is hired, developed, and engaged is just a big mysterious process in many organisations.

The key element to this overall change in thinking and action is transparency at all levels in order to transform heartless leaders and mindless organisations into compassionate leaders and enlightened organisations. More openness in management practices and policies, technology, and governance will result in improved efficiencies and investment returns because the organisations can finally hire, develop, and engage "only" the right people to grow the business. Through complete transparency, leaders can create more mindful organisations, thanks to unbiased decision making across all parts of the organisation empowered by the use of technology and data, more passionate and compassionate leaders, fully engaged employees, and all other stakeholders.

[1] Alex Pirouz, The Impact of Leadership on Business
Success, Huffington Post, December 6, 2017
[2] Victor Lipman, A Common Management Temptation:
Settling For Mediocrity, forbes.com, October 8, 2017



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