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When to change how you lead

It's fashionable to say we live in fast-changing times. Does that mean leadership itself must change?

Is leadership an immutable endeavor in which we learn as much from Alexander the Great and the *Bhagavad Gita* as from GM's Mary Barra or Apple's Tim Cook? Or does the role of the business leader change with the changing times? This ageless question formed the starting point for a wide-ranging discussion at a recent meeting of advisors to McKinsey's Leadership Development Practice. The group included Helen Alexander, former CEO of The Economist Group; Robert Kegan, the developmental psychologist and author, from Harvard University; Nadir Mohamed, former CEO of Rogers Communications; and McKinsey partners Claudio Feser, Mary Meaney, and Tim Welsh. *Quarterly* editor in chief Allen Webb moderated the discussion. While conclusive answers may have been elusive, the conversation generated insights into a number of key aspects of leadership, including the effect of success on leaders, the benefits of failure in developing resilience, and the role of maturity and self-awareness.

The Quarterly: *Is leadership timeless? This is one of those issues where it is easy to say both yes and no, so Claudio and Tim are going to kick things off by staking out relatively extreme positions.*

Claudio Feser: The case for leadership being a timeless endeavor, in my opinion, rests on the fact that the ability to lead is strongly linked to personality and character. Several studies suggest that open-minded, conscientious people who are emotionally tuned to

take charge tend to be stronger leaders than people who aren't.¹ And while leadership skills can be learned, personality and character are pretty much given by the time you enter the workforce and don't change much over time. In this sense, one could say that some people are more predisposed to lead than others, and that hasn't changed in the past 50 or 100 or 1,000 years.

Having said so, we all can lead better by developing a better understanding of ourselves, so we can make the best of what we have. Our research suggests that leaders who are self-aware—who know themselves or, as we put it, are “centered”—are up to four times more effective in managing change than people who aren't.²

Tim Welsh: I think the case for a more flexible model of leadership rests on our understanding of the elements of leadership. Clearly, you have to have some sense of who you are as a person—that's always an element of leadership. A second is to have the skills required for the job. And a third is to have the knowledge that is relevant for the job. In order for leadership to be timeless, we'd have to believe that those three elements are immutable.

There's a reasonable case to be made for the first one being timeless: leaders have always had to have a strong sense of themselves. But there's almost no case to be made for the second or the third elements being immutable—in fact, quite the opposite. We know that many jobs today didn't even exist 40 years ago, so a lot of people had to learn a whole set of new job-related skills. And then, from a technical perspective, we know that there's never been so much data created in any given year. By definition, you're constantly having to learn new things about even the most rote professions—and leadership is far from rote!

¹ Studies include Brian J. Hoffman, David J. Woehr, Robyn Maldagen-Youngjohn, and Brian D. Lyons, “Great man or great myth? A quantitative review of the relationship between individual differences and leader effectiveness,” *Journal of Occupational and Organizational Psychology*, 2011, Volume 84, Number 2, pp. 347–81; and D. Scott DeRue, Jennifer D. Nahrgang, Ned Wellman, and Stephen E. Humphrey, “Trait and behavioral theories of leadership: An integration and meta-analytic test of their relative validity,” *Personnel Psychology*, 2011, Volume 64, Number 1, pp. 7–52.

² See “The value of centered leadership: McKinsey Global Survey results,” October 2010; and Joanna Barsh, Josephine Mogelof, and Caroline Webb, “How centered leaders achieve extraordinary results,” *McKinsey Quarterly*, October 2010, both available on mckinsey.com.

So you can say that, yes, one element of leadership is timeless: the “know who you are, lead yourself” element. But the other two can’t be timeless, and therefore leadership in itself is not timeless but more of a contextual set of attributes.

The Quarterly: *Anybody want to articulate a balanced perspective?*

Robert Kegan: You might think about leadership as having to do with the intersection of psychology and business knowledge. All leaders have both an agenda they’re driving and an agenda that’s driving them. The agenda you’re driving is the business part of it. The agenda that’s driving you is the psychology part.

The agenda that you’re driving seems to me highly mutable because it’s dependent on lots of things: the context of the organization, the bigger epochal life cycles, and the smaller life cycles of an organization. You can see that different leaders are called for at different times, with different kinds of agendas.

An awareness of the agenda that’s driving the leader—that, to me, is a more timeless dimension. The self-awareness and understanding needed would seem to have been needed hundreds of years ago and will be a hundred years from now. “Leader, know thyself.”

Mary Meaney: I agree. There’s a core of leadership that is timeless while other aspects evolve, depending on the external context. So a focus on achievement, results, inspiration, and setting a vision—those attributes of leadership are relatively constant. Whereas agility, the ability to change, and participative decision making—those elements are particularly important in certain contexts and less so in others.

Helen Alexander: Leadership is about learning. It’s about taking in the signals—recognizing and creating patterns—and I don’t think those sorts of things change. The primary leadership trait for me is to have the antennae up. You have to be looking outside the organization, learning all the time, seeing patterns, and trying to bring them into the organization. And that seems timeless to me.

There are people and organizations that don't have those antennae up. I mean, take the media industry. There are still many, many media companies really struggling with going digital today, and this is 15 years on.

Nadir Mohamed: Yes. In my own view, one of the most important attributes of a leader is to understand when a cycle's about to change, so that you can embrace the changes required. That is quite fundamental in business. And these cycles, to me, are getting shorter. And so it's really a big leadership attribute to actually be able to say, "OK, I get it; there's a change happening. You know, we have to approach life differently."

The Quarterly: *So if different leaders are called for at different times, as Bob suggests, how do you know which kind of leader is right for which circumstances?*

Nadir Mohamed: We'd probably all agree that there are different styles of leadership—that there isn't only one style that by definition makes a good leader and that the needed style of leadership may change according to circumstances and context. A founder and leader may be a visionary, a classic "divide and conquer" entrepreneur completely engaged in detail. It's not uncommon for people to describe the successor as collaborative, teamwork oriented, open, and so on.

Now, is that an accident—just someone with different characteristics happening to be in that position at that time? Or does it reflect an organization's shift from a build phase to one where it needs to make money and become an institution and, you know, go from junk bond to investment grade and so forth, which calls for a leadership style that is different from the founder's?

To me, what's most interesting is whether any one style is better in a given context or whether the same style can work in different contexts. I think people want and expect consistency in your leadership traits. You can't work "sensibly" one day and suddenly turn into a jerk the following day, right? Yet what I've observed is that many times there are people who act like jerks who nonetheless are great leaders and perform really well. We might say to ourselves,

“My God, I could never subscribe to that person’s worldview,” but there’s no denying that some of them build great organizations. This would suggest that a fundamental part of leadership is to be truly yourself.

The Quarterly: *“To thine own self be true”—even if “thine own self” is a jerk?*

Mary Meaney: Well, not necessarily. As I think about the organizations, leaders, and CEOs I’ve worked with, I sometimes ask myself where have I seen things go catastrophically wrong. More often than not, it has been because of arrogance. People who’ve stopped listening, stopped being open—who haven’t had the antennae up, as Helen put it. As I think about the greatest failures, many of them resulted from lack of humility, of openness, listening, willingness to question yourself. Many leaders fell into the trap of believing that they were invincible, invulnerable, and infallible.

Yet these leaders weren’t always arrogant. Over time, they lost certain traits that they had once had. They lost their openness, willingness to listen, to probe, to hear different perspectives, to challenge themselves, to question themselves. I think humility is all too easy to lose once you have become senior and are in a position of power.

Robert Kegan: We have a tendency to think about this in terms of individuals. But the organization itself is implicated in the fact that we allow people to get more and more isolated—to be less and less called to account—the more senior they get. So it’s also kind of a caution or a challenge to the ways we structure organizations, not just the failings of individuals.

Nadir Mohamed: Some CEOs can be described as aggressive, absolutely maniacal in terms of focus. Often that’s one of the primary reasons a company is as successful as it is. But that focus can also blind a company to big changes that are about to happen. So if you take the challenge of learning, how are you going to take these strong CEOs, who are often founders—these driven individuals who take no prisoners, who won’t listen to anybody about “why this may not work”—how are you going to help them not get blindsided by disruptions lurking around the corner?

Helen Alexander: I think there is something to be said for a time limit. Maybe leading a business is not a job you can or should do forever.

Claudio Feser: Part of what is timeless is the tendency to stop listening because you've become wedded to a strategy that's yours. It's an almost innate problem that, maybe, a time limit or term limit could solve.

Robert Kegan: I think we can all tell stories about the ways people stop listening. And I suppose there may be an increased probability of that after you've been in a role too long and start to get arrogant, to use Mary's term. But you can also tell stories about people who don't fall into that trap. A lot of this comes down to Carol Dweck's ideas about whether you have a fixed or a growth mind-set.³ We're seeing that it's difficult for people to grow and change, but they definitely can do so under the right circumstances and the right conditions. People can actually come to see more deeply into themselves and their world.

The Quarterly: *Those leaders who do grow and develop as they progress in their roles—what characterizes their ability to do so?*

Claudio Feser: If you visualize the self as a kind of container, you have two opportunities. One is to put more good things into the container—by learning new strategies and skills, for example—and another is to change and expand the container itself. Now, for some people, amplifying the container is easier than it is for others. Does this have to do with intellectual ability? With culture? With humility or education? What has it to do with?

Robert Kegan: It's the \$64,000 question. A lot of people feel humility is an absolutely key thing—a person's willingness and comfort not to have it all together and not to pretend to have it all together, to be open to the possibility you might be wrong.

There's a lot of time spent looking at learning and learning organizations, but we don't give as much attention to all the ways

³ Carol Dweck, *Mindset: The New Psychology of Success*, first edition, New York: Random House, 2006.

we prevent ourselves from learning. Not only the ways we do that individually but also the ways organizations get built to cover our weaknesses and call each other to account. All of those activities, which are ways of avoiding discomfort and anxiety and so on, systematically promote nonlearning. We need to know as much about how we systematically prevent learning, individually and organizationally, as how we promote it.

The Quarterly: *Is there anything else we should look for?*

Robert Kegan: People who have been too successful can actually be really risky hires because they haven't failed and picked themselves back up again. So it's important to ask what is a person's history of mistake making? Do people have a deficit of failure in their backgrounds?

Mary Meaney: We've been looking at this as part of work on women and women's leadership, and it's really striking to see that the women who have reached the most senior levels are often the ones who have the resilience that comes through learning from failure.

Claudio Feser: Failures are important for learning. It seems there is a part of leadership that is immutable—having a sense of who you are and acting authentically, in accordance with it—and another part that's more contextual, such as skills and knowledge. However, what seems to be common to both of those parts is that they are developed over time and with practice. They are developed by learning from mistakes and successes. Having a growth and learning mind-set is crucial. Not only at the individual level, though. Leaders are also formed in a context. By organizing companies and building corporate cultures that promote challenge and debate, company leaders create learning organizations that accelerate the speed at which they and others grow. ○

This roundtable was moderated by **Allen Webb**, editor in chief of *McKinsey Quarterly*, who is based in McKinsey's Seattle office.