

Successful leaders know how to change before they have to

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The capability of a leader to transform change adversity to opportunity is what makes a leader distinct and that's what promises business success



Successful leaders understand and anticipate the probability of facing continuous uncertainty

Leaders need to understand that not taking a risk is a decision trap that emerges from a false belief that staying safe is better

Markets have changed, leaders have changed and so has the competitive environment. There was a time when star products or cash cows continued for a long period in the Product Life Cycle and companies wouldn't replace or innovate and would stretch their life till beyond the maturity phase. Think about some 20-30 years back and try to recall the products and services that we used to avail e.g. OK & Hamam Soap, GCG OR Weston TV, Ambassador & Fiat Cars, Topaz or Wilkinson Stainless Steel Blade and many others. None of them are seen today the way we used to see them topping the charts during those days. What happened to them?

When the gates of liberalization opened, it made many companies, products and leaders vulnerable to competitive environment, uncertainty and increasing disorder; organizations and

leaders too went through a similar paradox and many haven't still come out it – some are still struggling, but some companies & leaders navigated through these challenges well. For example, in the United States, Southwest Airlines is a living example. When the entire Airlines Industry was going through labor unrest, fuel shocks, deregulation, strikes and recession, and then the 9/11 terrorist attacks also happened, it bankrupted many airline companies. In that scenario, we saw only Southwest Airlines rising to the top with its stock growing more than 63 times in 30 years. Given that other airlines were also operating under the same environment, what made Southwest Airlines to surge ahead? Was it just a good business model or something else?

Another example that none of us can forget is of Dell Corporation, the makers of Dell Computers, a company that sold computers on “made to order model”. What happened to this once-upon-a-time-brand-leader of the market or what happened to Nokia, Sony or Kodak? Why were not they as consistent in their success the way Southwest Airlines was?

Jim Collins, a business consultant and Morten Hansen, a management professor, in their research, detailed in the book, *Great by Choice*, examined more than 20,400 companies and found that the distinctive behaviors of leaders are the key to the success of their businesses. In one of their researches they studied, two teams of adventurers who had set out on an expedition to reach South Pole in 1911. One team was led by Roald Amundsen and the other by Robert Scott. In the beginning of 20th century there was no modern communication system nor did they have any modern navigation technologies and other expedition equipment. Both teams went through similar challenges of unforgiving weather and environment with gale force winds and no communication means to call for rescue. While one team led the mission to success, the other failed so miserably that they never returned back. The important question to raise here is what separated the fate of these two teams? What Jim Collins and Morten found was that “Amundsen and Scott achieved dramatically different outcomes not because they faced dramatically different circumstances, but because they displayed very different behaviors.”

It was found that successful leaders understand and anticipate the probability of facing continuous uncertainty and that they cannot control and cannot accurately predict what lies ahead, yet they reject the idea that forces outside their control or chance events will completely determine their results. They accept full responsibility for their fate!

They manage uncertainty. While conditions, environment, circumstances will keep changing and one will have no control over it, it's a leaders competence and capability to manage and drive results and change adversity to opportunity.

Ram Charan, a renowned business advisor, in his research termed this as Perceptual Acuity or “the ability to sense what is coming before the fog clears”, which means the ability of a leader to scan through the dark clouds of uncertainty and act before others act. Ram goes to the extent of segregating ‘Uncertainty’ into ‘Structural’ & ‘Operational Uncertainty’. When IBM sold its Computer Division to Lenovo, Dell failed to recognize this change, which resulted into an operational uncertainty, and which was followed by a double whammy when Dell got hit by the structural uncertainty of Apple coming out with android-based phones that completely stooped the computer industry and Dell in specific. Dell could have managed it, had Michel Dell understood and recognized winds of change in the market.

Therefore, today there is a need for the leaders to learn and master uncertainty as there is no more a straight road to success. Some fundamental actions that can help one to develop this capability are:

Be a divergent thinker

Build networks: Leaders must continuously build a vast and diverse network that helps them to gather various information, perceptions and viewpoints. The network sometimes also works as a testing ground for new ideas and also building new and diverse repertoire of thoughts through an enabling exchange of views, which is crucial for understanding and appreciating diversity. Also leaders should develop a mentality that is flexible and open to new ideas and calculated risk taking.

Scan and observe: Leaders must develop a flavor and ability to constantly scan and see around the corners and also see over the horizon for even small seemingly un-important signals, information, idea, data etc. A sense of “Wonder” & “Inquisitiveness” are key to developing this skill.

Demonstrate convergent thinking

Integrate insights: The vast network that one builds and the insights one gathers from customers, competitor moves, market forces etc. must be integrated together to view new patterns that are emerging and new insights that are becoming visible. This is significant to help one understand the signals of change in advance and also prepare for it before others do!

Step out of the jar: Our physical capabilities have limitations, but our mental capabilities are vast and one must learn to constantly develop, leverage and apply the unutilized capabilities beyond the known abilities by practicing different things, perspectives and also by challenging our own assumptions. Working with or through assumptions won't let us innovate so trying different things will bring life to the work that we do. It would mean to step out of the jar, leaving behind all our old paradigms, attitudes, and relook at things from a different dimension with an unbiased approach, where we willingly consider the opinion of others as well and are ready to sail against the tide imbibing new ideas and innovative thoughts via others as well. This approach will remove our underlying fears and allow us to experiment new things and also accept new outcomes. This attitude will also prepare us to be receptive to ambiguities and will transform our mental make-up from managing change to creating change.

Finally, take action!

Taking risks: Mark Zuckerberg said, “The biggest risk is not taking any risk. In a world that is changing really quickly, the only strategy that is guaranteed to fail is not taking risks”. Sometimes many leaders are gripped by a comfort syndrome and feel that bringing any change in the status quo may be risky, failing to recognize the need to evaluate the cost of inaction in the form of opportunity loss. Leaders need to understand that not taking a risk is a decision trap that emerges from a false belief that staying safe is better. Risk taking can bring success, if leaders leverage diversity of information, Big Data Analytics, Predictive Techniques for a timely directional action.

Topics: [Leadership](#), [#ChangeManagement](#)

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