DEMOCRATISING LEADERSHIP

TRANSFORMING ORGANISATIONS THROUGH COLLECTIVE ACTIVISM

CREATED BY MAXIMUS

For businesses globally, a rapidly changing and uncertain commercial climate is now the norm. Since the end of the Cold War, in the late 1980s, the acronym VUCA (denoting volatility, uncertainty, complexity and ambiguity) has become commonly used to describe conditions so variable and multifaceted that leaders have resorted to business as usual, rather than taking the necessary time to distinguish signal from noise and address the need for fundamental change.

At the same time, various global markets have seen a profound increase in the potency of decentralised, socially-driven activism, on the back of technology and its ability to accelerate and globalise said movements. The past few years in particular have seen the rise of social movements like Black Lives Matter, Fair Trade, Climate for Change and Occupy — initiatives that people feel compelled to lend voice to. While socially-driven activism is nothing new, the pace and impact of these movements indicate that the traditional construct of power, power distribution and the relationship between leadership and authority are no longer durable. Evidence of action and impact ensures individuals feel empowered to take action on issues they deeply care about, and this has led to a decoupling of the conception of leadership and authority which were previously understood as synonymous. Locally, we only need to look at the devastating bushfires and the proceeding global fundraising effort (Celeste Barber raised over $40 million in four days in just one individual example) as evidence of this in action.

For organisations, these shifts in activism and power dynamics have led to a conundrum. Although organisations are experiencing changes in their power and influence structures, there is not an all-purpose answer to how they can restructure for effective and beneficial power distribution. A future-focused solution requires each organisation to understand and work through the complexity of its own power dynamics to arrive at a fit-for-purpose structure that caters to its unique circumstances.

Engineering a positive evolution of power dynamics is not about sacrificing considered governance at the board level, or negating the high

levels of integrative thinking across organisational divisions required of leaders. However, disruption of the traditional boundaries and silos within organisations presents an opportunity to tap into those employees who have the appetite and capability to contribute more. Human behaviour, as it adapts to the pace of digital advances in a range of different contexts, is moving towards a more decentralised ownership of power and action. How organisations allow this to flow into and influence their own structures of power and influence is key.

Most organisations today are going through some level of change, whether it's digital transformation, executive or board transitions, an operating model re-think, an organisational restructure, or cultural refresh. A common experience of leaders trying to institute meaningful change is that it's far more difficult than they had anticipated, that transformation occurs on a much slower timeframe than they would like, and that planned transitions often fail to achieve the desired outcome. A recent survey of senior leaders and direct observers considered transformations they've been familiar with have been either; "completely or, very successful at improving performance and equipping the organisation to be successful over time" at only 26 percent.[1] Overall, this study

> DISRUPTION OF THE TRADITIONAL BOUNDARIES AND SILOS WITHIN ORGANISATIONS PRESENTS AN OPPORTUNITY TO TAP INTO THOSE EMPLOYEES WHO HAVE THE APPETITE AND CAPABILITY TO CONTRIBUTE MORE

indicated that 70 per cent of transformations fail to produce the desired value anticipated by executives.

Similar to the driving forces underlying a social movement, the ability of leaders to craft a compelling vision can make or break change efforts. As culture expert Stan Slap pertinently asks, "Who is going to decide the success of your company or team's goals? If you're the one running it, start by scratching yourself right off the list."[2] Leaders of companies that thrive are most likely to have grasped that the collective has the power to create the movement, or to prevent it.

Leadership by any definition requires both a leader and an active follower. Without followership, there is no genuine leadership. Broadly speaking, organisations tend to have more potential followers than leaders; at the same time, all leaders may themselves also be followers depending on context and the power dynamic of each working relationship.

Frontline leaders generally make up about 60 percent of a company's management; this cohort of managers then typically manages 80 percent of a company's entire workforce[3], and today's changing power dynamics place these frontline leaders in the most challenging organisational position.

Frontline leaders are often no longer considered "of the people", due to their remit and responsibilities, yet they are often not fully included in the senior leadership culture. The dilemma in this situation is that frontline leaders have enormous potential to contribute at the coalface of the business, yet find themselves excluded from effective communication with executive leadership, whilst also not being fully trusted by their teams.

In this paper, Maximus proposes a new perspective on leadership, which recognises the power of motivated individuals throughout all levels of organisations — whether they hold positional authority/power or not — in driving organisational value during times of change. We seek to break the myth that senior leadership must be the sole holders of power and responsibility, and uncover why employees are the critical mass who decide whether transformation is going to succeed or fail by either denying the change or becoming fierce activists for their organisation's goals. We call this new phase 'democratising leadership'.

Here, Maximus discusses what leaders need to change to enable the responsibility, motivation and power to act at all levels of business.

DEMOCRATISING LEADERSHIP AND IGNITING ACTIVISM

To democratise something means to make it accessible to everyone. Examples of distributed accessibility are easily and readily found across technological and digitally-enabled industries. Wikipedia is one obvious example of a platform that has democratised the acquisition and dissemination of knowledge; its open access allows contribution and consumption of information by everyone. Similarly, the smartphone revolution has redefined interactions and dynamics (in particular connectivity and transparency) between businesses, customers, suppliers, and employees[4]. Further, the exponential increase in media and content, both professionally-developed and community-driven, have paved the way for what could be a fully democratised education (think self-directed learning) system.

Generally speaking, organisations that don't encourage accessibility and employee activism become increasingly rigid and lose the ability to quickly self-evolve. Such organisations rely on a select few to drive change and are often characterised by overly hierarchical cultures, an elite group of decision makers, and hero leadership. This centralised power model has become the necessary target of challenge and revolution.

Conversely, there are those businesses that have embraced a more progressive model, or in the cases of newer organisations, adopted a more progressive model from the offset. They have worked through context, applied clarity to democratising leadership, had the courage to distribute accountability, and placed focus on unlocking emotional commitment. These are the most likely to have successfully navigated the disruptions of recent decades.

TWO FUNDAMENTAL SHIFTS

In the context of leadership, democratising means taking action in two specific ways:

1) CREATING THE CONDITIONS AND THE SYSTEM FOR DISTRIBUTED IMPACT

Investing in organisational scaffolding that fosters active mindsets and proprietorial behaviours in the wider workforce.

Such a framework will be tailored to each organisation but is likely to be constructed from a combination of: radical transparency, candour and resulting trust; freedom with clear accountability; and an intrinsic sense of purpose that binds the individual and the organisation. It requires leaders to revise power distribution in order to tap into the latent energy of individuals with a common purpose – and in this way clear a path for a motivated collective to autonomously drive business objectives. Fundamentally, leaders need to grasp how to work with and within the collective, instead of directing it. Of course, systems that control accountability must be loosened to a degree that fits each industry and the risks associated with this new way of working.

2) ACTIVATING EACH PERSON

Organisations must enable all employees, regardless of position and remit, to willingly take responsibility for creating value and driving transformation for the enterprise, thereby displaying the behaviours of true leadership. This involves activating the critical mass with the requisite competence, courage and commitment to deliver on business imperatives. This process must take into account a nuanced understanding of people's capability to deliver across an enterprise.

Let's unpack each of these key actions a little further.

1) CREATING THE CONDITIONS AND THE SYSTEM FOR DISTRIBUTED IMPACT

Establishing the environment for a democratised leadership requires a reconfiguration of organisational systems in favour of the collective. Three core shifts make the difference here.

a) Engendering trust through a culture of transparency

Transparency is emerging not only as an internal requirement but also an external one. As CEO of global investment powerhouse Blackrock Larry Fink, in his latest annual letter to CEOs, says "Companies and countries that champion transparency and demonstrate their responsiveness to stakeholders, by contrast, will attract investment more effectively, including higher-quality, more patient capital."[5]

Internally, transition must begin with culture – specifically reimagining an organisation's relationship with transparency and licence to act. At a systems and organisational level, businesses need to provide greater transparency and clarity around their circumstances and aspirations, thereby laying the foundations for employees to autonomously achieve business imperatives. Even Pope Francis, the leader of an institution famous for its secrecy, has committed to making the Vatican Bank more financially transparent in response to the declining trust in its finances.[6] Institutional trust has been compromised by numerous instances of abusive behaviour — by financial institutions, religious institutions and corporations. The trustworthiness of institutions is therefore understandably viewed as questionable.

Prevailing sentiment includes "a desire for more action from business leaders to act beyond short-term financial gains, including by keeping promises and disclosing mistakes. This is growing against a backdrop of operational transparency issues that continue to attract poor perceptions."[7] The CSIRO further contends that the decline in trust threatens the social license of Australia's institutions to operate — restricting their ability to enact long-term strategies.

The implication for leadership is that greater responsibility and expectations are placed on individuals. The temptation may be for leaders to try to respond as heroes, when in fact future corporate resilience and prosperity requires distribution of leadership where transparency is critical.

The leadership role is evolving beyond directing people towards achieving organisational KPIs, towards that of a role model — someone who is engaged in society and considered and courageous enough to tackle the issues central to today's communities.

Maximus recently interviewed Dr Simon Longstaff, Executive Director of The Ethics Centre, who says, "The best way to lift the capability of people leaders for ethical decision making is to give them a chance to practice." Leaders can

encourage healthy debate by opening themselves to disagreement, says Longstaff, by inviting "issues to be debated in their presence where theirs is just one voice amongst many". He emphasises the importance of developing listening skills and of creating a culture where people are encouraged to discuss their views not just on business problems, but on the world in which we live, thereby creating a sense of congruence between organisations, society and individual values.

While outward-facing transparency and trustworthiness confers the license to operate as part of society, increased trust and transparency within organisations has been demonstrated to confer a competitive advantage. Combining the most recent findings of the Edelman Trust Barometer with a review of the academic literature, it is clear that trust has the following effects on employees and corporate culture:
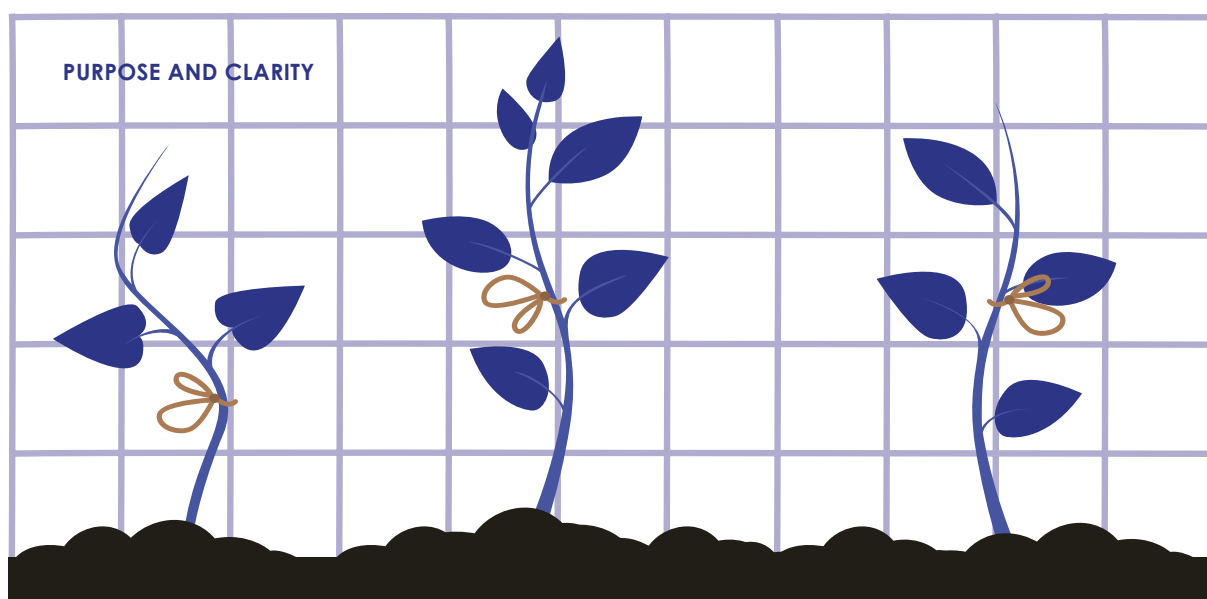
❯ Greater engagement and advocacy[8]
❯ Higher loyalty and commitment[9]
❯ Higher levels of team performance[10]
❯ Knowledge creation[11]
❯ The ability to rebound from conflicts[12]

The evidence in favour of enhancing trust throughout organisations is intriguing in that it shows trust as most likely to have the greatest beneficial effect on business outcomes in environments where risk, uncertainty and complexity are prevalent — a description which certainly reflects the state of Australian commerce and industry today[13].

For leaders, the message behind these findings is that they must work hard to demonstrate their personal trustworthiness and integrity. At a more macro level, current social and economic conditions require businesses and leaders to establish systems and rhythms that foster transparency to the greatest extent possible, in order to build trust with employees.[14]

2) Providing purpose and clarity

In our introduction we mentioned how common it is for transformation efforts to fail or to proceed at a pace much slower than anticipated. Part of the reason that leaders themselves cannot be the designers and drivers of transformation and expect employees to fall in line, is because what they're asking people is so difficult. In a centrally-driven

PURPOSE AND CLARITY

MAXIMUS ASSERTS THAT THE LEADERS FOR OUR TIMES WILL OPERATE WITH AN UNDERSTANDING OF THEIR PEOPLE AS HUMANS WHO HAVE MORE TO CONTRIBUTE THAN PERFORMING A SERIES OF TASKS AND DELIVERING ON IMPERATIVES.

transformation, a CEO may be asking thousands of individuals to change not just the way they work, but how they think about their jobs and perhaps themselves[15]. Even the most outstanding rationale may not persuade people if it conflicts too deeply with how they perceive themselves and who they are[16].

Combine this with the lack of time leaders have to individually connect with employees, to help them process change, and you have a challenge.

Maximus asserts that the leaders for our times will operate with an understanding of their people as humans who have more to contribute than performing a series of tasks and delivering on imperatives. We need leaders with the insight and empathy to be curious about how the collective, made up of potentially thousands of unique individuals, thinks and feels about the behavioural shifts required, in order to transform organisations from the inside out.

It cannot merely stop at insight but must then result in action: key to unifying employee goal setting and activating individual leadership capabilities, is that leaders must 'make meaning' for the organisation and for their direct teams. Linking organisational and personal purpose will provide clarity on what people need to do as individuals in order to contribute value to the company as a whole.

3) Driving accountability, performance and contribution throughout the organisation

Perhaps unsurprisingly, the workplace is evolving to display similar characteristics to the way people participate in and consume other forms of information and media. That is, workforces are moving from a traditional model of being rewarded for sharing content — executing on the company strategy; to being commended and remunerated according to how they participate in identifying opportunities and ways of executing and collaborating to realise those opportunities — creating content.

Organisations that seek to democratise their culture will establish strategic and cultural parameters that shift employees' involvement in the company from following to participation, so that they not only share but also act as contributors to company performance.

When enough people in the company's value chain move from delivering on directives, to taking

an active role in the objectives and achievements of a company, the value chain transforms from a linear structure to a networked platform. Operating within this model the company can wield serious power to disrupt industries on a global scale. (Heimans, HBR Dec 2014, p.5).

Apple provides an oft cited and well-known example of such a transformation. In the 1990s, before Steve Jobs was invited back into the company he founded, Apple's strategy was focused on production, sales and distribution of products.

Although the company had performed well under that model, its success was limited by the supply-demand economy. Apple's approach now is to provide synchronised operating systems and user interfaces; the company's hardware provides platforms that enable content to be delivered. The resulting content now generates the bulk of Apple's revenue. This is not limited to Apple but can be seen across a range of the largest technologically orientated businesses, such as LinkedIn, Amazon, Atlassian and Canva.

What could business look like if companies were to become like Apple products; their infrastructure, systems and, above all, their leaders providing organisational platforms that enable employees to achieve company goals?

We contend that such structures offer greater opportunities for developing new and outstanding products and services; and for employees to tap into their diverse perspectives and creativity for mutual employee-company benefit.

For this to occur leaders and their direct reports need to cultivate psychological co-ownership within their teams and the broader enterprise. Harvard Law professor Yochai Benkler calls it "peer mutualism" which is typified by behaviours that permit employees to "effectively 'upload' power from a source that is diffuse but enormous – the passion and energies of the many". These behaviours are not just pertinent to companies such as YouTube, Airbnb and Uber but can also apply to legacy and more highly regulated businesses such as financial institutions, governments and even the military. The leadership values and behaviours which underpin this model of democratised leadership include decoupling of leadership and authority, open-source collaboration, allowing the culture to be a form of networked governance, radical transparency, and short-term conditional affiliation.

Many organisations are showing signs that they understand the need to diffuse authority and invite direct reports to own the results of the company. However, most have simply applied a layer of technology – a kind of workplace social media – in an attempt to drive collaboration, and cross-functional communication. Some are attempting to flatten hierarchies with forums like a quarterly Google hangout with the CEO. However, these mechanisms don't change the underlying mindset and approach to workplace power systems or inspire behaviours that correspond to democratised leadership. On the contrary, these initiatives build what is known as vacant engagement — temporary attention and even lip service that results in no tangible outcomes or activism.

As we embark on another decade of exponential technological change, and unpredictable economic, environmental and political shifts we must reimagine the systems within organisations that no longer drive them toward commercial success. The new systems will shape the environment such that the 80 percent of the workforce who currently are only executors of tasks can be activated to contribute in a purposeful way that connects to their organisation's ultimate aspirations.

2) ACTIVATING EACH PERSON

The concept of followership first became a topic of interest in the 1990s with the publication of two key papers, The Power of Followership and The Courageous Follower[17]. Research literature has since continued to explore the nature of followership and its connection to change and organisational effectiveness[18]. Followership is now so central to the notion of successful organisational performance and leadership itself that Harvard runs a course in 'Followership'. Harvard Professor Barbara Kellerman, highlights that, "to fixate on leaders at the expense of followers is to do so at our peril"[19]. As we have already discussed significantly, that's because followers have the power to transform organisations.

The degree to which followers are engaged is the key to realising collective action[20]. A democratised model of leadership requires those in positions of power to recognise, harness and collaborate with the power of the collective, rather than direct the collective.

Activism as defined by the Cambridge dictionary is "the use of direct and noticeable action to achieve a result [traditionally] usually a political or social one". Activism then is action for a distinct cause.

If followers are to transition from being bystanders to engaging as activists – grasping their ability to mobilise in an organisational system characterised by democratised power and leadership – they too must develop a mindset and the skills needed to support that shift. To meet complex challenges, all parties must adapt their mindset and behaviours; and the boundary of authority must be decoupled so that people are sitting on the same side of the table, working to solve complex challenges together.

Leadership is more often than not imbued with authority, but authority to act does not have to be the sole remit of senior leadership. Democratisation of leadership allows the considered diffusion of authority, which can free unnecessary bottlenecks of decision making, allowing organisations to more quickly respond to customers and market conditions.

For leaders to delegate and reduce the tasks on their list to free up time for more strategic planning is both necessary and insufficient if they want to achieve true collective activism. Rather, the leader has to move the 'job to be done' to a place where it can be addressed by the relevant parties, and then endorse their resolution, even if (and this is the difficult part for leaders who cling to the authority of their position) the resolution differs from what they would have fashioned – as long as the objective is maintained.

In his book Turn the Ship Around, David Marquet describes the impossible task of controlling all functions, decisions and processes in the nuclear-powered, rapid-attack submarine he commanded. He describes the importance of changing the language of his direct reports in

the way they spoke to him, their captain. Instead of asking him what they should do, he told them to express their intent, and in that intent list all the actions which needed to occur for that to happen. This generated psychological ownership of the action, as well as the outcome.

Defence forces may be considered among the world's more hierarchical institutions, yet after this language change was implemented on Captain Marquet's nuclear-powered submarine, he writes that it was near impossible to discern who the captain was. Through the decoupling of leadership and authority Captain Marquet transformed his unit from a single person with many arms, to a network of people working toward a single goal.

Activating followers in a democratised system

Engendering all people with the requisite capabilities to practice leadership during times of change is vital to ensuring the adequate distribution of authority enabling an organisation to respond and transform with greater agility.

Historical and current activists in organisations and communities are typically courageous. Whether championing democracy, accountability, equal rights for the LGBTI community or climate action, they demonstrate: courage to challenge the agreed norms and belief systems; courage to drive positive action despite barriers and obstacles; and the courage to be seen and heard.

It is our position that courage is the result of individual confidence and competence, matched with emotional commitment. If we are to create environments that foster activism, we must first cultivate courage. Expressed as an equation, the formula for activism is therefore:

COMMITMENT + CONFIDENCE = COURAGE

= ACTIVISM

What are these three drivers of activism?

a) Emotional commitment and the value-creation imperative

In our 2019 whitepaper: Curating Culture – Mobilising People in the Age of Disruption[21], we proposed an 'emotional-commitment model' of culture, defining four dimensions of leadership that assist in curating a thriving, adaptable culture which can then become a source of competitive advantage.

One dimension of leadership in mobilising culture is that of the 'value architect'. Becoming a value architect requires leaders to move away from the traditional mindset of the planner and strategist who controls the future direction of an organisation. Instead value creation in 2020 and beyond is conducted through teams, and by disseminating accountability across the organisation to unleash value. This requires giving teams the freedom to be curious and to innovate by empowering them in processes, people and technology, enabling and unlocking emotional commitment.

Another primary aspect of the value architect concept is articulation of value-creation opportunities around what could be, not

what people currently know to be true. This frees leaders and employees to share and be involved in the creation of more impactful value-generation opportunities.
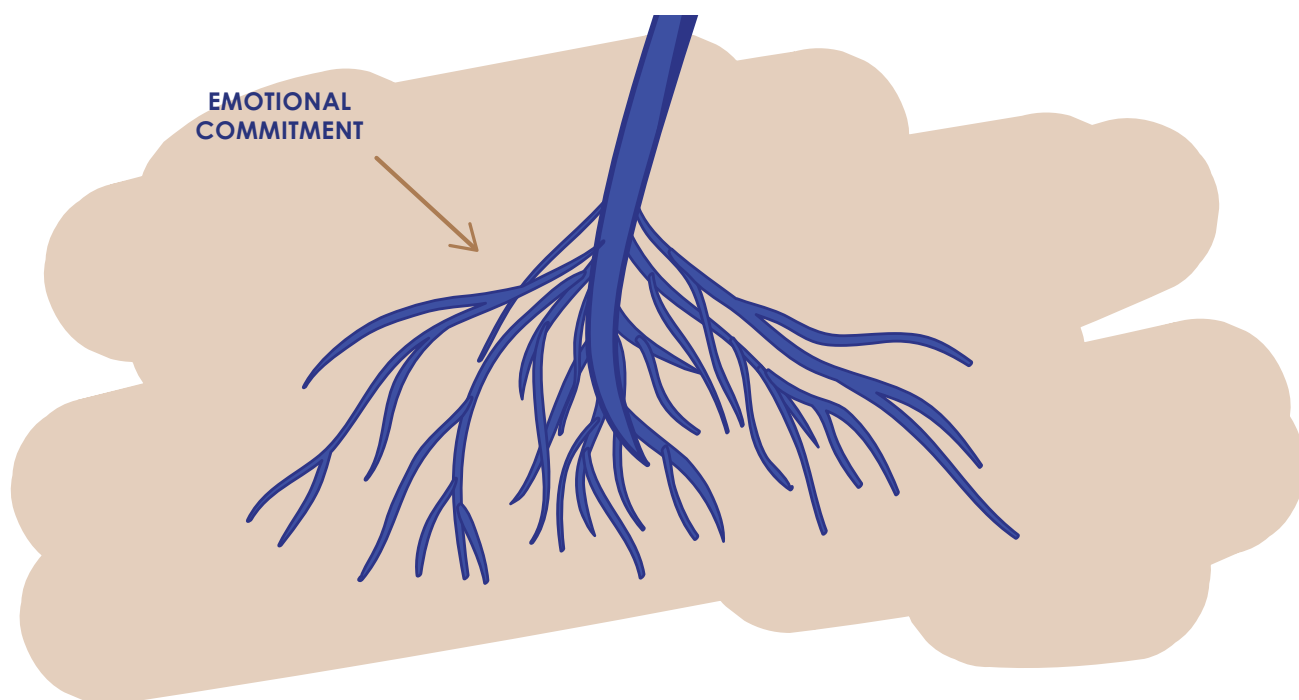
In short, the idea of the leader as a value architect is both a commercial and a democratic concept, because it allows sharing the commitment for both identifying and realising value-creation opportunities.

The key to this commercially focused aspect of leadership lies in helping individuals to understand how their work adds value in the organisation's current and future state, enabling a decentralised yet aligned notion of value creation throughout the organisation. For this to unlock commitment at the individual level, employees must first have commitment to the purpose of a company.

Marquet highlights the inherent contradiction in the too-often-used word, 'empowerment', saying, "you can't implement a bottom-up concept, in a top-down way".[22] If employees require their leader to empower them, then that leader is also able to take that power away, and there is nothing empowering about that. To drive true, independent commitment, a leader must instead constructively 'disappoint' their team if they sense they are relying on the leader for answers to problems they can solve themselves. Heifetz and Linsky in Leadership on the Line call this 'giving the work back'.[23] It's not about reversing the hierarchy in an organisation, but rather about removing the mindset that comes with managers and leaders using the hierarchy to tell people what to do.

An order-response behaviour cripples the ability of people within a business to execute highly cognitively demanding tasks and drive greater value in the business, and fundamentally stymies an individual's emotional commitment to the organisation's goals.

EMOTIONAL COMMITMENT

> ## YOU CAN'T IMPLEMENT
> # A BOTTOM-UP CONCEPT,
> ## IN A TOP-DOWN WAY.
> DAVID MARQUET

b) Developing ever-evolving competence and confidence

Our understanding of the need to democratise leadership stems from the critical need for leaders to distribute power throughout their organisations and to enable decision making from those who are closest to the action. However, leaders are often reluctant to relinquish power for fear of facing negative consequences as a result of their subordinates' decisions.

Socrates was among the early theorists of democracy; one of his principle concerns was the decisions made by the public could only reflect the intelligence and education level of the public. Democratic decisions influenced by the public are also dependent on the public's awareness of the outcomes and consequences of decisions. Therefore, we argue the need to emphasise the building of employee competence.

Competence is a core enabler of the individual to mitigate the concerns which come with distributing power throughout a business. Competencies are not simply hard skills and capacities but can more accurately be defined as the ability to perform tasks successfully and efficiently.

In a constantly disrupted commercial environment, the shelf life of workers' hard skills is dramatically reduced. The 2016 World Economic Forum research paper on The Future of Jobs and Skills identified the need for processing

and technical skills, however the workforce of the future will require people to think critically, consolidating data from numerous information points and drawing meaningful conclusions.[24] This calls for ongoing development of workforce core competencies, and for a mindset that embraces lifelong learning.[25] In addressing this need, it's incumbent on senior business leaders to encourage and support ongoing learning and development in all areas of their organisations, so that direct reports can make commercial decisions as effectively as their managers.

Margaret Wheatley, in her research article Leadership in the Age of Complexity (2010) posited that the practice of leadership requires people to transition from the mindset of leader as hero, to leader as host. She defined the role of leader as shaping the shared definition of reality of a group and guiding them toward desired outcomes through a coordinated effort.

Earlier in the millennium, Joseph L. Badaracco (2002)[26] suggested that leadership is related to the collaborative action distributed among individuals in an organisation. In a post-heroic leadership landscape, senior staff adopt the role of coach, with the key leadership behaviours focused on cultivating personal relationships and motivating people to own jointly defined organisational outcomes.

Importantly this new mindset requires those in

authority to develop the humility and authenticity to admit that they may not have all the answers to challenges within and outside the organisation, but that they trust in their employees' creativity and commitment to get the job done, and their ability to develop their own competence. True democratised leadership overlooks organisational hierarchy and recognises the latent motivation and diligence of all members of an organisation and their capability to solve enterprise-wide problems. The role of the incumbent leader is to invite them to exercise their motivation and capabilities.
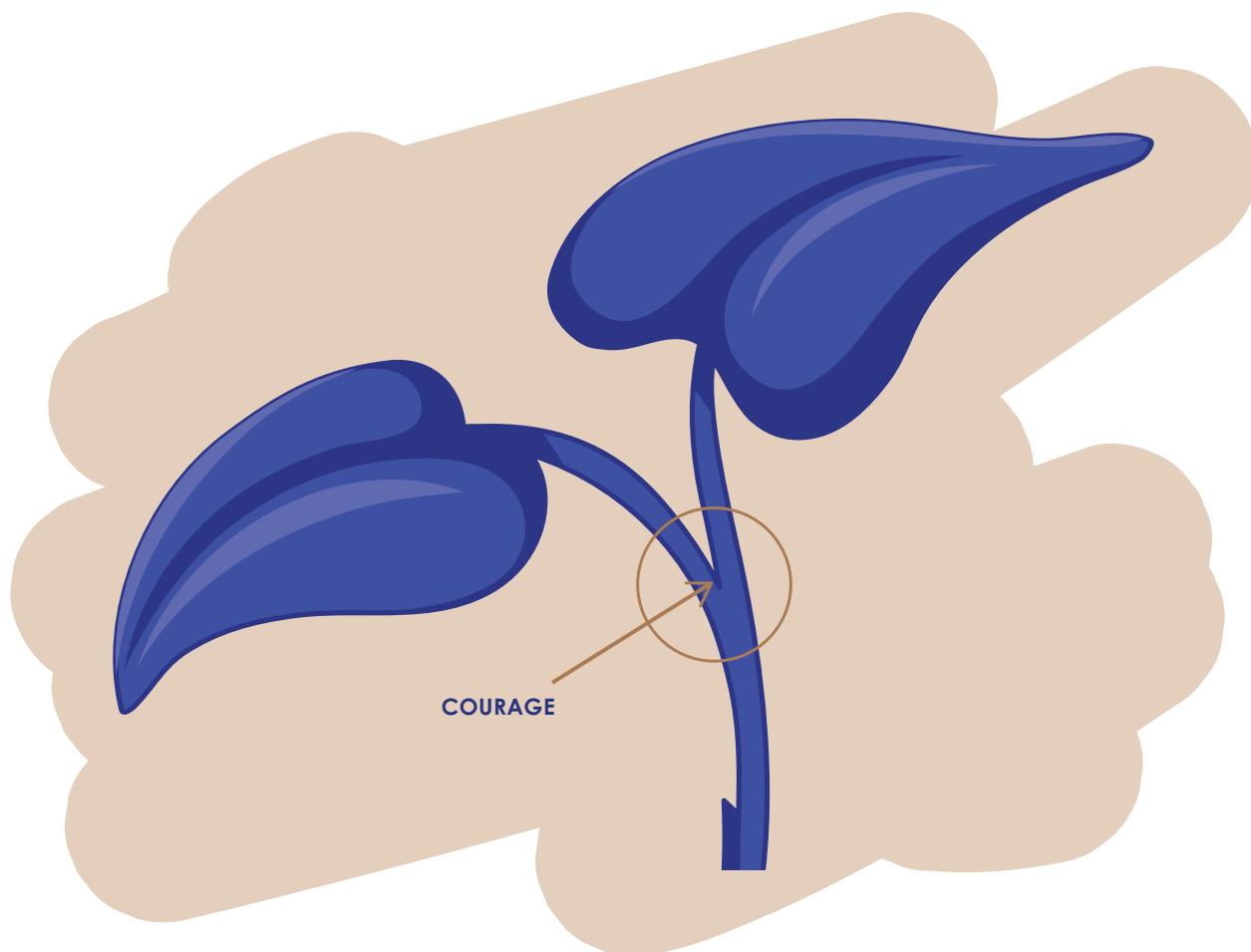
Providing the requisite environment and conditions for collaboration and contribution is the first step identified by Wheatley toward creating substantive change in an organisation[27]. By offering unequivocal support to employees, senior leaders can transform the perception of personnel from human resources to 'resource-full humans' — and activate an as yet untapped potential. Ronald A. Heifetz and Donald L. Laurie captured this perspective in their article The Work of Leadership, saying, "Solutions to adaptive challenges reside not in the executive suite but in the collective intelligence of employees at all levels."[28]

c) Courage

Kellerman[29] and Ira Chaleff[30], dominant researchers in the field of followership, both conceptualise the shift between followers as 'bystanders' to followers as 'activists' as a transformation characterised by courage. 'Courage' in this context is defined as having 'heart' at the core of your leadership direction, which helps drive empathy and enables you to maintain a sense of curiosity and compassion. For leaders, courage is exercised across a broad spectrum, from making considered decisions that challenge the status quo – perhaps at a risk to their reputation – to completely restructuring an operating model with the aim of radically improving company performance. Courageous leaders are able to hold steady in the face of uncertainty and disequilibrium, and constantly engage their curiosity.

Curiosity is also a vital component of leadership because it enables individuals to question their own actions, other people in the organisation and the organisation itself.[31] At an executive level in particular, it allows people to lead with conviction, while holding organisational assumptions that are often referred to as 'truths' – but which may be limiting growth or progress – with a lighter grip so they can be more easily relinquished when they no longer serve business imperatives.

COURAGE

Curiosity as a characteristic of courageous leadership is the antidote to rigidity in organisations and to legacy loyalties which limit the agility of a company.

It's a truism that leaders cannot help but carry out the aspirations of other people. Leadership decisions are rarely made in a vacuum uninhibited by the commitments or concerns of others. Therefore, a leader's courageous vision will gain little traction if they are unable to connect with compassion to the interests of stakeholders, while also inspiring the emotional commitment of those in the business.

The turnaround of the Ford Motor Company illustrates the power of connecting with stakeholders and of considered courageous action. When Alan Mulally joined Ford in 2006, the company was losing over US$18 billion annually. He found that the organisation's leaders were unwilling to address the fundamental issues — such as labour costs and superior speed to market of new Japanese vehicles — affecting company performance. Mulally's solution was to borrow US$23.5 billion to automate its factories by completely retooling Ford's production line. To achieve this he had to persuade the Ford family to pledge its stock and the famous Ford Blue Oval as collateral. As a result of these courageous decisions Ford avoided bankruptcy, regained market share and returned to profitability.

IN A DEMOCRATISED LEADERSHIP ENVIRONMENT, COURAGE IS DISPLAYED BY ALL

In his book Alan Mulally and the Fight to Save Ford Motor Company Bryce G. Hoffman identifies curiosity and empathy as two of the key characteristics of Mulally's leadership style.

Similarly in 2017, just six weeks after Unilever rejected a hostile takeover bid by rival Kraft Heinz, Unilever CEO Paul Polman announced a seven-point plan to enhance the value of the company. The plan included rejection of the status quo by spinning off Unilever's legacy 'spreads' business, improving operating margins from 16 to 20 percent, buying back €5 billion worth of stock, cutting costs by an additional €2 billion, and consolidating the company's foods and refreshments business units into one.[32] More recently, Unilever announced it will move its corporate headquarters from London to Rotterdam. In all, these moves resulted in Unilever making a 25 percent two-year return, the highest return of any packaged consumer-goods giant (Coca-Cola came in second at eight percent[33]). Polman has been described as simultaneously tough minded about demanding improved earnings from his leaders, while insisting they maintain high values and ethical behaviour, which has also promoted sustainability and long-term focus.

In a democratised leadership environment, courage is displayed by all. To promote such behaviour, leaders must work to create a framework that enables action and thought beyond the psychologically safe, but which encourages teams to 'tussle' with existing modes of operation, to challenge existing beliefs and to feel assured that they will not be reprimanded but rather rewarded for their courage even if the desired outcome is not achieved.

In an article on the importance of courage in organisational leadership Harvard Business School Professor Bill George states that, "It takes bold decisions to build great global companies. If businesses are managed without courageous leadership, then R&D programs, product pipelines, investments in emerging markets, and employees' commitment to the company's mission all wither."[34]

At the crux of the matter for people at all levels in organisations is that, "Displaying courage is to choose growth over safety." And that "Practising and witnessing courage enables a virtuous cycle where we feel able to step in where courage is needed."[35]

In a democratised environment, courage must be universally nurtured. Only then can you effectively unlock activism.

CONCLUSION

All three elements — courage, commitment and competence — are necessary to ensure the successful democratisation of each employee and to harness the previously underutilised latent abilities of some 80 percent of commercial workforces. Any two aspects developed in the absence of the third will create an imbalance that can be counterproductive. A lack of competence produces bold behaviours at greater risk to the organisation. Without commitment, companies see a drop in engagement and retention. And if a company does not inspire courage in its employees they may lack the curiosity to question their assumptions, and the empathy to connect to the needs of stakeholders; resulting in a highly capable workforce in which individuals lack the conviction to change or discard systems which are no longer serving the company interest.

Last, without the appropriate systems in place, where an organisation as a whole engenders trust through transparency, provides purpose and clarity, and drives accountability and performance through the organisation, efforts at mobilising people individually are destined to fail.

Companies cannot afford to continue with business-as-usual operations when industries are constantly challenged by trends and disruptors that require them to pivot toward new opportunities and to discard out-of-date practises. By democratising leadership businesses can peel back some of the legacy resistance to adaptation, reducing waste in the value chain, and adopting a new flexible, platform-like response — a springboard, if you like — that enables engagement with the advances and opportunities of the new decade, rather than scrambling in their wake.

Our proposed model, developed through decades of experience with hundreds of companies and tens of thousands of leaders, combined with extensive global research, offers a guide for leaders to develop their people beyond the status of mere bystanders to leadership, and transform their organisations through activism.

ABOUT MAXIMUS INTERNATIONAL

We are for leaders with ambitious agendas. We exist to move minds, transform businesses, and leave a legacy of proven value. With over 18 years of experience with a range of Australian and global organisations, we have gained deep insight into leadership and organisational behaviours, adopting progressive approaches to create the conditions in which leaders and their teams can thrive.

ILLUSTRATIONS: NICK WALSH, STUDIOSTORM.

ABOUT THE AUTHORS

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Vanessa Gavan is the founder and Joint Managing Director of Maximus. She has spent the past 20 years transforming organisations across a broad range of industries and enabling the leaders within them to realise their potential. In 2001, she founded Maximus to bring a leadership offering to the market that would help shape a rewarding future. Today, Maximus is recognised as one of Australia's most progressive leadership firms, working extensively with an impressive portfolio of leading international organisations to develop relevant, astute, insightful, and authentic leaders. Vanessa is a psychologist with a strong entrepreneurial perspective; her BSC Psychology and Post Graduate studies in Psychology are complemented by Executive Education through Harvard Business School. She is a thought leader, sought-after industry commentator and expert source for leading business publications; she also is a conference keynote speaker, presenter and experienced facilitator.

James Aris

James Aris is Head of Innovation, Offerings and Marketing at Maximus. With more than 11 years' experience working with some of the world's biggest consumer brands, James brings a global mindset and FTSE100 training in marketing to his role at Maximus. A graduate in English from Warwick University with several post-graduate digital and strategic accreditations, James applies his specialisation in digital technologies and marketing capability to the transformation of large corporate organisations. He has helped innovate, build capability and enable growth for brands and organisations in Africa, the Americas, and across Europe. Now focused on Australia, James is passionate about pushing the boundaries of leadership development, weaving a leading-edge understanding of communications, behavioural psychology, digital technology and mass behaviour change into the work that Maximus does with leaders in the region.

Dr. Amanda Allisey

Dr Amanda Allisey has over 12 years' experience working as an academic, researcher and consultant. Amanda's research expertise covers leadership, workplace wellbeing and organisational behaviour. Holding a PhD in Organisational Behaviour from Deakin University, Amanda has created over a dozen peer reviewed and highly ranked publications. Her passion is bringing her research rigour to practical solutions for some of Australia's largest organisations. This combination of research and practicality means that she provides her clients with evidence-based solutions that have the capacity to move both hearts and minds. She thrives on new challenges and working collaboratively with her clients to bring solutions to life.

George Schneider

George Schneider is a Consultant at Maximus and has more than eight years' experience in curating and implementing leadership development programs. His global perspective on leadership has been developed in the course of working with professionals from a wide variety of industries, across Australia, North America, Europe and the Middle East. George holds a BA in English Literature from Sydney University and a Master of Arts from Tel Aviv University. At Maximus, he is dedicated to designing and delivering programs which develop the clients' human capability to connect to their peers with greater alignment, and thereby more effectively work through complex challenges. He sees leadership development as amplifying an individual's latent ability by exposing them to growth experiences.

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