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Why complete leaders are unfinished

David Dotlich explains why leaders who are ‘unfinished’ – adaptable, collegiate, and always ready and willing to learn – are the ones who will succeed in today’s complex and paradoxical business world.
Recently, Pivot Leadership ran an executive programme for the top leaders of one of the world’s largest and most successful companies. Each participant received feedback from their team members, and a summary of how they were viewed by their direct reports as a whole. What was the prevailing request embedded in the feedback for this group of very senior leaders? “Stop micromanaging us!” Or, more to the point: “We wish that you trusted us as much as we trust you!”

This insight instigated a provocative moment of reflection. Why did these executives feel the need to get overly involved in the work of those below them?

Multiple explanations were discussed, but everyone agreed on one simple explanation: as senior executives they were attempting to cope with overwhelming complexity. With so much more to learn and understand and with many more relationships to forge in their matrix-based organisation, these executives were micro-managing in an attempt to achieve consistency, control and closure. They were making lists, conducting reviews, managing projects and asking for financial updates to make some sense of it all. In the end, they were not effective and they were not creating value for shareholders.

Every day, leaders face difficult challenges that generally fall into two distinct camps—puzzles and paradoxes. Puzzles are problems with clear and defined answers such as “How can we increase productivity by 20%?” or “Should we invest x dollars into research and development?”

Paradoxes, on the other hand, are defined by two or more opposing options that can never be resolved. These challenging, persistent dilemmas are now experienced more frequently and consistently by senior executives. They appear in the tension between purpose and profit, short-term returns and long-term investments, maintaining today’s business model while disrupting it for future growth, and standardising processes and procedures while encouraging breakthrough innovation and creativity.

Today, most problems faced by executives are paradoxes. They are tricky, complex and constantly changing and the ability to lead through paradox has become the critical competency required for any senior leader in any organisation today. In our research, we found that leaders who see themselves as learning, adapting and growing, and remaining “unfinished” are best able to navigate through paradox successfully. In our book *The Unfinished Leader: Balancing Contradictory Answers to Unsolvable Problems* we argue that you need to develop some new mindsets, especially staying “unfinished” when faced with paradoxical problems.

Being flexible, adaptive and open to creative solutions and new opportunities is an example of a new mindset leaders will require. You have to acknowledge and navigate the vast amount of information and ideas generated every day—both internally and externally to the organisation you lead. By staying humble and constantly remembering that you are never quite done learning, you remain in a permanently unfinished state with “fresh eyes” as you face the barrage of everyday decision-making.

The first thing that an unfinished leader must do is to embrace paradoxes instead of denying them. Managers are typically encouraged and then rewarded for solving puzzles such as lowering costs, executing a project, resolving customer problems and so on. But when moved up the executive ranks, those kinds of clear wins are hard to come by. Instead, executives must shift their leadership skills to managing paradoxical challenges by encouraging collaboration, inspiring innovation and finding ways to generate creative input.

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One of the most effective ways to navigate a paradoxical challenge is to use the organisation’s core purpose as a lens through which a leader can navigate to the right action or outcome. That is what pharmaceutical giant GlaxoSmithKline (GSK) did when it was exploring better ways to serve unmet medical needs of people in Africa. Andrew Witty, the CEO, was determined both to tap Africa’s commercial opportunity and fulfil GSK’s mission to serve patients and allow access to new medicines.

Witty saw a huge commercial potential in the region but was also faced with several complex and seemingly contradictory paradoxes. How could GSK make money and serve its shareholders by providing access to people who have little or no money? How do you respond to overwhelming health care needs in the developing world while delivering the premium performance expected of a global corporation? How do you increase value for investors while decreasing the price of medicines for those who need them most?

To help them viscerally connect with the challenges and opportunities—and inherent paradoxes—that they faced, we took 30 senior GSK executives to Kenya as part of an 18-month, multi-segment, leadership development experience. Among the places we visited were clinics and hospitals in Nairobi to expose GSK leaders to the current healthcare system. The experience touched everyone deeply—on a personal and an emotional level.

Before they departed for Africa, GSK executives disagreed about the right way to market their products in Kenya and other developing countries. Some perceived a moral duty to ease the plight of disadvantaged populations even though they did not believe any real commercial opportunities existed in the region. Others argued that the burgeoning middle class offered huge commercial potential and saw the humanitarian benefits as a less significant by-product.

After the immersion experience, Witty asked his executives to look to GSK’s higher purpose to find the right strategy. He essentially asked: “What if we don’t highlight the question of how to profitably run and expand the business? Instead, what if we asked how to fulfil the company’s mission, serving the sick of the world?”

After all, mission, not money, gives meaning to the company’s work, particularly in the eyes of most employees. The executives still had the faces and concerns of those they visited in Africa fresh in their minds. They had to do something.

There are many other tools that unfinished leaders can use and one of the most useful is scenario thinking, which is an informal method for questioning assumptions, exploring alternatives and analysing the upsides and downsides of multiple possibilities.
One of the actions that GSK executives identified and implemented was selling HIV-preventative compounds, vaccines and other patented drugs in the world’s 49 poorest nations at no more than 25% of the developed-world price. GSK would no longer hold to consistent pricing the world over—which would obviously have reflected a puzzle-solving mentality. Witty, and other unfinished leaders like him, asked his team not to think outside the box but above the box. They adopted a policy of flexibility, a purpose-driven solution to an age-old paradox.

The key here is that they found the right next step together. Managing paradoxes at the executive level is a team effort and it takes open dialogue, deep listening and real collaboration to achieve real alignment.

There are many other tools that unfinished leaders can use to do this effectively but one of the most useful is scenario thinking, which is an informal method for questioning assumptions, exploring alternatives and analysing the upsides and downsides of multiple possibilities.

It can also be a disciplined way for looking at current and future factors shaping your world, your industry and your markets and then analysing how your organisation can plan for, and react to, future contingencies. Scenario thinking forces you to loosen control enough to rise above conventional wisdom and your own biases.

That is what Frank Appel, CEO of German logistics group Deutsche Post DHL (DPDHL), and his team did when faced with the many contradictions that plague global corporations today: continuity versus disruption, globalisation versus localisation and sustainability versus profitability.

DPDHL executives wanted to explore what the world might be like in five or 10 years. They wanted to know what could disrupt their current organisation and their investments in businesses for the future. More specifically, they considered five scenarios that guided their discussion.

- An out-of-control global economy with countries exploiting and competing with each other for natural resources
- Mega-cities growing at astonishing rates
- Lifestyles that have become more “customisable”
- Paralysing protectionism creating barriers to competition around the world
- Climate change that creates global resilience and local adaptation

Appel then convened groups of younger, high-potential leaders around the world and asked them to critique, challenge or reinforce the company’s strategic assumptions and input different ideas and scenarios from their unique generational perspective. Appel and team assumed that technology would play a larger role in logistics and that younger employees, being more “wired” and technology savvy, could provide the best input. They were right—the young leaders challenged, revised and ultimately produced a much better strategic plan that took into account the future role of tools the younger managers knew intimately—social media, mobile computing, location tracking and so on.

After diverging and converging, DPDHL’s leaders had a much broader, robust discussion about its corporate strategy and which paths to pursue and developed new options for both individual businesses and the collective whole. It helped them get beyond the data, which never shows the entire picture and can be heavily biased during analysis.

Scenario thinking enabled DPDHL leaders to pull back and look at the bigger picture and encourage a constructive dialogue with differing points of view. Scenario thinking is an enabler of creative thinking that can inspire teams to think imaginatively about paradox, triggering new thoughts and encouraging people to devise a range of provocative future possibilities, as well as estimating the risks associated with them.

These examples, among many others in the book, illustrate one important take-away: business threats and opportunities that leaders must now address are multi-faceted, extremely complex and often contradictory. The leaders who strive for consistency, control and closure will not be successful in a paradoxical world. By staying open, flexible and comfortable with ambiguity, you can build the most important competency for leaders today: embracing and managing paradox.