



The Two Faces of Leadership

It's not only what leaders do in the spotlight that counts. Great leaders also know how to manage the organisational machinery behind the scenes.

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Leadership has two faces: one highly visible, one less so.

The first face is heroic. It's what leaders use to inspire and motivate, role-model behaviour and express an enthralling vision.

The second is more practical. It's the face leaders assume behind the scenes as they preside over the processes that keep the organisation running smoothly.

For their plans to succeed, leaders must face in both directions at once. The problem is that as leadership development ballooned into a global **US\$366 billion industry**, it has fixated on the public face at the expense of the process-oriented one. Leadership is a hotter topic than ever, but its popular image only brings half the picture into focus.

“The constructs we focus on are things like emotional intelligence, and tenacity, and empowering people, and energising and so on,” said **Charles Galunic**, INSEAD Professor of Organisational Behaviour, in a recent conversation for the **INSEAD Knowledge podcast**. “We’ve given people lots of mirrors, which I think is great. But I think leaders could use more windows. I think they

need more visibility on the things that are happening around them and the processes they have to manage.”

His new book, ***Backstage Leadership: The Invisible Work of Highly Effective Leaders***, shows leaders the ropes and riggings of organisational strategy. It distills the heavy lifting that star leaders do in the background of their organisation into five processes: scanning and sensemaking, building and locking in commitment, handling contradictions, harnessing culture, and developing talent and capabilities.

Components of backstage leadership

Scanning and sensemaking allows leaders to reality-check their strategy. Galunic calls this “seeing the storms before they become hurricanes”. Ideally, one would forecast trouble coming well in advance. In a pinch, however, one needs only enough time to get ready, or evacuate. In any case, the best leadership meteorology requires an acute radar aimed beyond the horizon and the humility to live with a degree of uncertainty as you explore solutions with your team.

Building and locking in commitment to a strategy requires more than a dynamite PowerPoint presentation. First and foremost, generating

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consensus, or at least a good-faith acceptance, hinges on the level of openness involved in the process. Will you pull in ideas and feedback from the whole organisation, or concentrate on pushing key stakeholders into alignment with your intentions? There's no one right answer; every strategic context demands an individual approach. The key is for leaders to recognise that "pulling" and "pushing" are very different stances that require a distinct series of steps.

Handling contradictions consists of trade-offs to help leaders cope with contrasting mandates, e.g. the need for hierarchy vs. the comparative agility of decentralised decision making, the wisdom of thinking long-term vs. the imperative to deliver quarterly shareholder returns. To honour these seemingly irreconcilable opposites, leaders must master the art of ambidexterity. This may include building harmony among the senior management team and manipulating the plumbing of organisational design so that each side of a conflict has a dedicated unit.

Harnessing culture occurs through indirection. Rather than issuing edicts about what the organisation's values and norms are to be, leaders should first immerse themselves in the culture as it stands. Allow for the possibility of a large disparity between what top leaders say the company stands for and what actually goes on. Galunic mentions the TV show *Undercover Boss* as an illustration: "The premise of the show is the shocked look of the boss when they discover all the things that are done that they never expected." Cultural change isn't like an hour-long TV programme – it demands patience and constant care from all concerned. But leaders can start the shift with decisions under their control, from hiring to meeting protocols to the tone and content of corporate communications.

Developing talent and capabilities encompasses more than spotting superstars in the making and giving them opportunities to shine. Leaders can help talent succeed through shaping the context. Guiding how work gets done can support employee performance on the whole, which may sometimes be smarter than lavishing resources and rewards on a few superstars who may burn out or leave the organisation. Above all else, leaders must invest their time in the HR arena, particularly the three key pillars of talent detection, talent development and performance management.

The backstage of Covid-19

Of course, *Backstage Leadership* was written before the Covid-19 pandemic, but Galunic believes many of the issues covered in the book are even more relevant now. The crisis has elevated the importance of sensemaking, he says, because "people are

badly struggling with ambiguity and uncertainty... They need leaders who provide meaning, depth of understanding, better questions and some inspiring directions. These are the foundations of hope, and sensemaking is grounded hope."

Also, managing contradictions has become even more difficult and urgent. In particular, Galunic stresses the perennial tension between exploration and exploitation. A leader's first inclination, given the alarming economic outlook, may be to pivot toward efficiencies, but "if it's at the total abandonment of exploratory and inventive work, they may survive in the short run but not the medium run, or become irrelevant".

Backstage heroes

Galunic singled out three high-achieving leaders who have shown an exceptional ability to work seamlessly across frontstage and backstage.

New Zealand's widely praised prime minister Jacinda Ardern wins Galunic's admiration for the way she responded to Covid-19 and the 2019 Christchurch mosque shootings in which 51 people lost their lives. Her blend of empathy and bracing clarity (both moral and factual) reflects not only authentic humanity but also confident command of the information and resources at her disposal.

Former Pepsi CEO Indra Nooyi adroitly crossed frontstage and backstage as she shepherded the company through a restructuring initiative that she dubbed "Performance with Purpose". In the mid-2000s, her vision of an environmentally responsible Pepsi with a "positive nutrition" products division seemed off-brand, if not wildly incongruous to some – but Nooyi's timing was in fact brilliant. In anticipating rising health-conscious consumer trends, Nooyi displayed refined sensemaking skills. She also played the role of frontstage leader to the hilt as a credible and infectiously passionate spokesperson.

Microsoft CEO Satya Nadella orchestrated a mighty turnaround since his appointment in 2014. In public, he often said all the right things, precisely calibrating his message of change for maximum investor and stakeholder impact. He backed up his words by building much-needed capacities behind the scenes, such as ending Microsoft's infamous "forced ranking" system of grading employees on the curve, re-imagining the leadership team as a cross-functional entity and taking the vulnerable step of inviting customer feedback on evolving ideas via a digital forum.

Challenges of Covid-19

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So what are Galunic's recommendations for leaders grappling with the challenges of Covid-19? "It's going to go beyond just Covid. It's not as though our times were calm before. We used to talk about disruption. It meant something a little bit different a year ago, but it was still challenging times. And companies were still facing existential questions."

"And when it comes to existential questions, ultimately they need to turn to their core backstage institutions to provide them pathways out of the mess."

Charles Galunic is a Professor of Organisational Behaviour and the Aviva Chaired Professor of Leadership and Responsibility at INSEAD. His latest book, **Backstage Leadership: The Invisible Work of Highly Effective Leaders**, is now available on Palgrave Macmillan, Amazon and the Apple Bookstore.

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