



How to Distribute Leadership

High performing organisations distribute leadership to wherever the best information and capabilities reside.

Most people who work for major organisations are still stuck in old-style bureaucratic mazes of processes and centralised leadership. Directives are given and the troops on the frontlines implement tasks whether they agree with them or not. But this transactional approach to organisational leadership is leaving employees uninterested. According to **Gallup's State of the Global Workplace report**, most people around the world are disengaged at work.

This means most talent in organisations goes largely under-utilised and the old-style heroic leaders at the top are left to grapple with ever more complexity, pushing themselves to figure out all the answers to today's global challenges. These leaders cannot be consistently successful in the rapidly changing environment they now live in. They don't have all the answers, but the employees further down their organisations often do.

As I pointed out in my **last post**, firms that can engage and empower their employees can create more meaningful organisations and simultaneously increase their firm's performance. By distributing leadership to wherever the best information and talent resides, they can find the capabilities they don't have. To do this, leaders need to rely on X-teams.

Putting the 'X' in teams

X-teams help people look beyond their everyday jobs and provide them with a broader view of the firm so that they can fully comprehend the complexity of making change happen and do their part. X-teams connect with other teams in the organisation, its power structure and outside the organisation.

The key role of relating to the customer at the major U.S. air carrier, Southwest Airlines, occurs through frontline employees who have direct access to the ticketing and servicing of those customers. For example, in the days after 9/11, Southwest employees rounded up passengers stranded at one airport and took them out for dinner and bowling. In another case, a Southwest employee saved a customer's baggage from being thrown away after it had been mistaken for garbage owing to it being wrapped in newspaper. These are the kind of distributed leadership acts that breed customer loyalty.

We see the same in Procter & Gamble, which stakes its innovation strategy on established brands, leveraging its core assets and bringing new product ideas in from the front lines of the global market place. It used to be that all new products came from central R&D. Now they originate in many places,

both inside and outside the organisation through a practice the company refers to as C&D or “connect and develop”.

Xcellence in practice

X-teams operate in three key ways that enable them to embody the four capabilities of distributed leadership mentioned in the previous article; scouting, ambassadorship and task coordination.

Scouting brings fresh ideas into the organisation and encourages people to look outside. It helps to create a map of the world as it is right now so the organisation can make sense of its surroundings and adapt accordingly.

Ambassadorship links the upper and lower rungs of the firm and gives a voice to people at lower levels to use their knowledge of customers, cultures, technologies, competitors and markets to influence management decisions and strategy. This allows the company to align their visions and creates meaningful relationships up and down the organisation.

Task coordination encourages learning and coordination across units, breaking down silos, again fostering relationships across disparate parts of the organisation, as well as with people or companies outside.

For management, it is essential to create a cultural context that is fertile ground for distributed leadership. But creating such a culture often proves elusive. Ed Schein, a former professor at the MIT Sloan School of management created an interesting **model** that serves as a useful starting point to understand changing it. According to Schein, culture exists at three levels. First, in visible artifacts such as management activities, incentive systems, office design and dress code, secondly, in the stated values of the organisation and thirdly, underlying basic assumptions. Much of what exists in an organisational culture is assumed. There are tacit rules about how to get things done, beliefs about what’s right and what’s not, what’s fair and what isn’t.

Leaders cannot change these things directly. The trick is to communicate the stated values consistently and at every opportunity and to manage the artefacts so that they are aligned with these values, so that over time, the basic assumptions will change.

Putting our money where our mouths are

At the **INSEAD Global Leadership Centre (IGLC)**, we’re renewing our focus on the external environment so that we are in a position to develop

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products that are at the forefront of leadership development, such as coaching processes, tools and simulations. We bring these products to class and what we learn there, feeds back into our research agenda. We are doing this in the context of a community and working with external providers to develop products that are open for all to participate in. The same external focus also applies to our coaching. IGLC’s focus on personal development in coaching is complemented by coaching on the “outer” world to help people change organisations, not just themselves.

Our ultimate objective and the aim of leaders everywhere should be to ask themselves; how can I create an organisation that has more meaning for the people working there? Empowering employees with a strong sense of dignity and meaning makes for higher performing organisations.

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