



The next Inflection Point of C-Suite Leadership

The World is Changing – Yet Again; and this Time it's Personal



The 21st Century began with the perception of the world becoming **VUCA** (Volatile, Uncertain, Complex and Ambiguous) and a concurrently heightened focus on results. This called for a corresponding change in existing C-Suite Leadership paradigms that were, till then, more suited for relatively stable and predictable environments. Business schools, leadership Advisory firms and development professionals responded by introducing leadership frameworks with a special focus on the ability to manage paradoxes.

Just when the world had wrapped its head around VUCA, Covid happened. Even VUCA could not describe how unsettling the world felt. Along came **BANI** (Brittle, Anxious, Non-Linear and Incomprehensible). BANI inherently feels more challenging than VUCA, but there is one specific difference. BANI is stated in provocative, emotional terms vs. the logical articulation of VUCA. This affects the world at a deeply existential and emotional level, not just cerebrally.

BANI DOES NOT DESCRIBE THE WORLD; IT DESCRIBES HOW WE FEEL INSIDE OURSELVES ABOUT THE WORLD OUTSIDE

Brittle: Through our own actions, we have pushed our Earth to the brink. We are consuming 1.7 Earths a year. The Earth is not as indestructible as it seems, nor are the human systems that populate it. We cannot take them for granted anymore. Leaders now need to be hyper-sensitive to soft signals that our world is giving out. To that extent, sensing vs. thinking is emerging as the primary C-Suite competence. To get out of their own heads and perceive the world and a diverse set of stakeholders is now the foremost ask from the C-Suite.

Anxious: There appears to be a sense of feverish activity around the world. "Impatient capital" is pushing for returns at much higher rates than before. The inherently feverish pace is being made worse by information overload that is creating a "Fear or Missing Out". Executives need to be able to distil a well-formed view of the future from the information overload. They need to bring both a strategic coherence and a sense of Identity / specialness among the members of the organization from the prevalent chaos.

Non-Linear: There are no more direct routes from intent to outcomes. Best practices of the past need to be recalibrated and even revalidated frequently. While predictable systems are still going to be crucial for creating scale, human judgement will also become prominent. Al will be an ally, but human judgement will still be the bedrock.

Incomprehensible: With such little predictability, our experience ceases to serve as a trustworthy aid. This calls for greater comfort with incomplete information, of faith on instincts and of leaning on each other. Broader, shared perspective can be a proxy for the comfort we obtained from our individually accumulated learning. Executives now need to create much greater interdependence among individuals and stakeholders than ever before to source solutions that experience would have suggested previously.

Signature



THE CALL TO LEADERSHIP

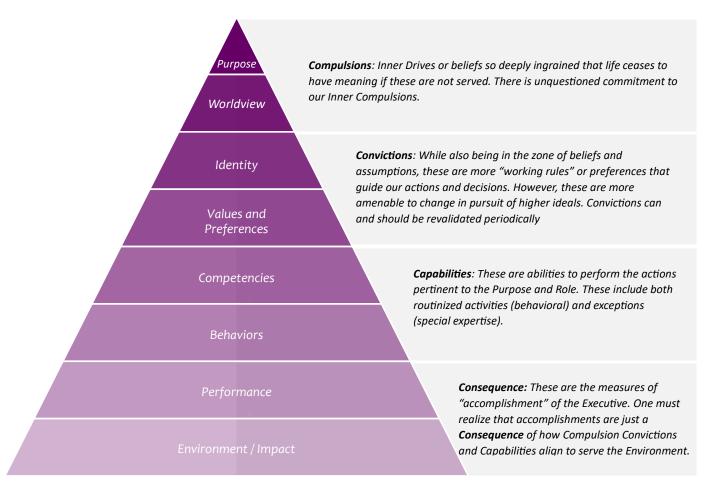
As always, when things get tough for business, it is for the C-Suite to step up its game; not just to deliver the tangible outcomes it is being compensated for, but beyond that to enable others to experience assurance, direction, hope and contribution (achievement being a sub-set of contribution).

Executives themselves must be exceptionally focussed on outcomes as accomplishment becomes more unpredictable and non-linear. Results are no longer assured, or even as probable as before. Results will be tougher to come by and will be a **Consequence** of much greater skill and will internally, not just demand from the environment.

This will call for a stronger and reprioritized set of **Capabilities.** For instance, Leaders will need a far greater level of perceptiveness and sense making by engaging with multiple stakeholders to pick up "weak signals" that they may have overlooked in a less BANI world. The need for the hierarchy below them to handle business-as-usual will become even more critical which leaders themselves have to empower and enable.

In addition, there is an additional resource that Executives will have to lean on. Their INNER WORLD!!!; Their inner world consists of **Compulsions and Convictions**. These are held deep in their personality, have been shaped by all their formative experiences and have been the bedrock of their achievement thus far. The same **Compulsions and Convictions** will need to be harnessed to bring the change that they will have to bring **and** become. **Compulsions** are so innate that we are not even aware we hold them, let alone question them (Purpose and fundamental Worldviews). **Convictions**, also beliefs, are working assumptions that they have developed but are more ready be morphed than Compulsions. Together, they give Executives the high Vantage point needed to examine and respond to the change in the world around them.

A COMPREHENSIVE FRAMEWORK FOR EXECUTIVE ASSESSMENT AND DEVELOPMENT







OWN COMPULSIONS EXECUTIVES MUST HEED

Purpose: In his seminal book, "Deep Purpose", Ranjay Gulati defines Purpose as "...a stable and generalized intention to accomplish something that is at the same time meaningful to the self and consequential for the world beyond the self." There is a rich body of literature available on the importance of business being purpose-led. The C-SUITE (with the Board) is the primary steward of the organizational purpose (especially for Public companies). An Executive who is not in touch with her own purpose would struggle to truly serve the purpose of the organization. Hence, a deliberate process of aligning own purpose with the organizational purpose needs to be put in place, whose starting point must be the elicitation and articulation of the Personal Purpose.

In the very act of becoming aware of own purpose, the Executive may realize that her purpose would only be partially served in the organization. This calls for a deliberate and ongoing process to align both for longevity and integration.

Worldview: A Worldview is a set of beliefs so deeply ingrained that one does not even recognize being driven by them. The worldview asserts itself in non-negotiables. Differences based on the worldviews are sharp and emotional because the part of the brain that holds these worldviews has no language to express them.

An illustration for instance, can be an Executive who is brought up in the traditional Japanese worldview that shareholders are no more important than commercial lenders and their voice must always be subjugated to that of the customers. If such a person is working for an organization that gives primacy to shareholder value at all costs, the internal resistance would be quite debilitating.

In our own experience, the difference in worldview emerged in an organization that used a Distributor network. The sales team struggled to reconcile internal Worldviews on the following question: Are these distributors customers or vendors? The organization was split in half. An Executive who had cut his teeth in the US retail environment and considered distributors as customers ran afoul of the legacy sales team that treated Distributors as vendors and needed to have them "under our thumb". The differences were intuitive and subversive rather than being out in the open.

An assessment must elicit and articulate the most deeply held Worldview of an Executive, not to guarantee that these will be preserved, but to elevate them to conscious thinking, allowing for deliberate alignment with the organization.

CONVICTIONS THAT EXECUTIVES MUST BE AWARE OF AND SHAPE CONSCIOUSLY

Identity: Preservation of identity is tied to the human need to be seen as consistent and, therefore, worthy of trust. This aspect is best reflected in the statement "This is just not me" if things are not going right or "I am bringing my whole self to work" if things are going well. All individuals have a self-image and reputation. It is natural for Executives to expect that their tenure will bolster and enrich their self-image and reputation. Projected outwards, this becomes the "Brand" of the Executive. Awareness of one's self-identity is critical to prevent "Me Centric" decision making. Executives must certainly represent things that are consistent with their identity, but also be open to inspecting where one's identity limits what one can and cannot do.

Values: Values are the working definitions of "Right" and "Wrong" that we have arrived at somewhat consciously based on life experiences, role models etc. . They are somewhat sub-liminal and exert their influence via emotional signals-somethings "feel" right and somethings "feel" wrong but are not as non-negotiable as a Worldview. While for the broader organization, Values may be non-negotiables, the C-Suite should indeed relook at the values periodically to assure fit with the organization's Purpose and Goals. This makes awareness of own values invaluable to the C-Suite to ensure that they are not making the personal values as the only "right" values. Secondly, with awareness of personal values, Executives can inspect strategic choices more objectively, going beyond personal preference.





CAPABILITIES THAT THE C-SUITE NEEDS

With capabilities, individuals bring their **Compulsions and Convictions** into working contexts. People with different identities and values can approach the same tasks very differently from each other yet accomplish the same outcomes through **Competencies and Behaviours**.

The smallest unit of Competence is behaviour-repeated patterns of deciding and doing that are visible to others. Leaders combine behaviours in different order and magnitude to build a competence to deliver outcomes. Competencies are the abilities that allow a person to deliver outcomes across different contexts, hence it inevitably gets identified as a quality of the Executive.

Our C-Suite competence model flows from our Signature Worldview - Coherence. (See complete model here > Coherence). Our research has led us to infer four competencies that are needed for the C-Suite. These are sufficiently focussed to lead to specific results that typical C-Suites are charged with. They are also sufficiently generalized to be applicable across industry, size or life-stage of organizations.

Engaging Stakeholders: Sense and establish mutuality with a diverse set of stakeholders



Connect with Stakeholders: Relate with stakeholders at a human level and build trust proactively

Realize Stakeholder Potential: Discover and realize mutual value with mutual accountability

Creating Strategic Platforms: Create the basis for sustainable competitive advantage aligned to Purpose



Develop Strategic Propositions: Sense what is shifting in the stakeholder universe and creating bespoke solutions

Shape Strategic Ecosystems: Configure and reconfigure the strategic ecosystem and interests to land the strategic proposition

Unleashing Talent: Engage talent with a compelling vision, ignite hunger for self-development and enable growth



Engage Teams and Individuals: Align the interest of individuals and teams with the organization **and** with each other

Grow Capability: Enable proactive development of individual and collective ability with personal stretch and learning infrastructure

Executing for Sustainability: Focus on effectiveness and efficiency leveraging both individual enterprise and systemic strengths



Create Drive: Trigger individual enterprise by creating a sense of urgency towards performance objectives

Strengthen Systems: Develop and leverage systems and technologies for the repeatable and scalable tasks of the value chain





SUMMARY- THE COHERENCE MODEL FOR C-SUITE COMPETENCE

This model calls out four clusters of competence that are critical for the C-Suite to deliver by inspiring, guiding, directing and rewarding the organization over and above exercising personal competence. Consistent with the discussion before this, each competence is assessed in terms of repeatable and "design-able" aspects of running an organization and concurrently by inspiring uniquely human attributes. The following are worth noting about the Leadership Competence Model.

- 1. Even as it provides a unified framework for C-Suite Competence, the model allows for integration with different Compulsions and Convictions.
- 2. Consistent with the need to integrate human and systemic elements, the model demands proficiency both in Cultural and Strategic aspects of C-Suite Leadership. Neither "eats the other for breakfast", they are inseparable, even if seemingly paradoxical.
- 3. Given the theme of "incomprehensible", the model allows for both backward looking (Experience Based) as well as timeless (Personality Based) assessment of Competence. The latter increases the likelihood of an Executive responding adequately in the future to situations they have not encountered before.

While the high level Competencies are mentioned here, the model is elaborated with the related behaviours that are observable and assessable, but more importantly, form a MECE (Mutually Exclusive, Collectively Exhaustive) framework for delivering the C-Suite expectations.

HOW ORGANIZATIONS CAN USE THIS FRAMEWORK

- 1. For Executive Hiring: This framework allows comprehensive assessment before hiring into the C-Suite. At the least, the assessment will assure that the competence is "within the zone" of the ability needed to manage the BANI world. Further, this model turns the notion of "fit" into an assessable such that the organization can understand and align the driving beliefs of the individual and the organization. Further, going with the recognition that there is never a "perfect candidate", it will correspondingly highlight the areas where the hired candidate needs to be hired, aligned or complemented.
- 2. **For Executive Development**: Given the breadth and comprehensiveness of the model, this will enable comprehensive "gap analysis" vs. a complete C-Suite profile. Further, an understanding of compulsions and convictions will allow a deeper judgement if the person is indeed inclined to build the capabilities needed.
- 3. **For Executive Team Effectiveness**: Only if we understand the field of Compulsions and Convictions at play within a team can we impel it to truly work together and align to the organizational purpose. Further, this assessment can also inventorize reinforcing, complementary and deficit skills within a team.
- 4. **For Succession Planning**: When there are multiple candidates in play for succession, this model can be used to assess them on a single platform (e.g. a COO and CFO both being candidates for the position of CEO). Furthermore, this gives the board multiple cues on how they can help the selected candidate find the next orbit of performance within themselves in terms of Convictions and Capabilities.
- 5. For Updating the Broader Leadership Paradigm within the organization: When the ask at the top of the organization is changing, the expectations at the next level also change. The gap analysis between Coherent Leadership and your current model provides guidance for the expectations that the next level of the organization must now step up to.

CALL TO ACTION

Speak to us about how we can bring the model to bear in your context (Industry / Lifestage etc.) both reactively (Performance is faltering or leadership pipeline is not flush) and proactively (when you are considering a significant restatement of ambition).





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ignite Performance.

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ABOUT COHERENCE



Coherence is a Leadership and Organization Design Advisory Firm that aligns Purpose with Performance. We can help you with your dilemmas in Leadership and Organizational Development. Dilemmas occur when you choose between one right and another right, and the choice that you make defines who you are. We bring domain expertise, advisory experience, an integrated toolkit; but most importantly our intent to serve as you work through your dilemmas.

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