

THINKERS50 2019



THE SHAPE OF THINGS TO COME

- DES DEARLOVE AND STUART CRAINER

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THE SHAPE OF THINGS TO COME

Shifts are happening across the social and political spectrum, globally, and businesses are caught in a vortex of change. Management thinking is changing too, finding new directions and assuming new depths. Des Dearlove and Stuart Crainer capture some of the emerging trends.

DES DEARLOVE AND STUART CRAINER

are founders and Directors of Thinkers50 and internationally recognised experts and commentators on management ideas. Dearlove and Crainer are the authors of more than 15 books available in 20 languages. Former columnists to *The Times* (London), they are editors of *The Financial Times Handbook of Management*.

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If you want to help other people, be a manager. If done well, management is among the most noble of professions.” – the late, great Clayton Christensen, in *How Will You Measure Your Life?*

Thinkers50 is the world’s most reliable resource for identifying, ranking, and sharing the leading management ideas of our age. Every two years, the Thinkers50 Awards Gala—dubbed ‘the Oscars of Management Thinking’ by the *Financial Times*—celebrates the best in management thinking, revealing the new ranking of the top 50 management thinkers, and announcing the winners of the Thinkers50 Distinguished Achievement Awards.

“By 2030, the demographic, economic, technological, societal, and climate-related trends already underway will converge. Suddenly there will be more grandparents than grandchildren, more robots than workers, more currencies than

countries, and the middle classes in Asia and Sub-Saharan Africa will outnumber those in the US and Europe combined,” Mauro F Guillén notes in his forthcoming book *2030: How Today’s Biggest Trends Will Collide and Reshape the Future of Everything*.

The future is impossible to predict, but if Guillén is even close, then the changes coming in the next decade will transform business and society beyond recognition. So, what are the emerging trends in management thinking that are addressing these seismic shifts in the way we live and work?

At Thinkers50, our mission is to identify, rank, and share the best in management thinking. One of our challenges is trying to look around the corner to predict what is next. As we enter a new decade at the start of 2020, we see four key shifts impacting business and leadership:



- Competitive shift: from efficiency to innovation
- Technology shift: mind versus machine
- Personal shift: from command and control to responsibility and responsiveness
- Global shift: geographical and cultural

COMPETITIVE SHIFT

The first big trend in management thinking is the move from competing on efficiency to competing on innovation. In the 20th century, we saw the super efficiency of mass production manufacturing. Think of Toyota, for example, where the quality and quantity of a product was at the heart of the business model. The famous Toyota Production System was a watchword for manufacturing efficiency, enabling the company to produce cars with zero defects. Organisations in the 21st century, however, have to be able to constantly innovate to survive and thrive. They need to react to the changing needs of the consumer, to pivot and adapt to the fast-moving business landscape.

From 'zero defects' to 'zero distance'

In Japan, in the 1980s, the quality-efficiency revolution revolved around 'zero defects'. In China today, Haier's 'rendanheyi' model champions 'zero distance'. The focus has shifted from product to customer. The business model has evolved from mass manufacturing to fulfilling the changing demands of the consumer. "There are no great companies; only relevant companies." Zhang Ruimin, CEO of Haier (#15 in the new Thinkers50 ranking), told us.

Learning to pivot

Flexibility and agility are required to stay relevant in the 2020s. But how do you structure your business so it can innovate and pivot to embrace change?

Vijay Govindarajan's 'three box solution' shows us how to manage the present and

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selectively forget the past while also creating the future. Govindarajan won the Thinkers50 2019 Innovation Award.

Scott D Anthony's (Thinkers50 ranking #9) 'dual transformation' demonstrates how you can reposition your present business while simultaneously creating tomorrow's engine for growth. The ambidextrous organisation, he says, can be good at both innovation and exploitation.

Co-founders of the consulting firm Strategyzer, Alex Osterwalder and Yves Pigneur (#4), created the Business Model Canvas, a tool kit to help you reimagine your business model—over and again—to be able to adapt and innovate.

Thinkers50 number 1 ranked thinkers W Chan Kim and Renée Mauborgne show us how to look for the new, non-competitive market space in Blue Ocean Shift and, in their latest research, how to create new markets that do not disrupt (*Nondisruptive Creation: Rethinking Innovation and Growth*—MIT Sloan Review, Spring 2019 issue).

Innovation has overtaken efficiency as the competitive advantage. "If you become too efficient, you lose your flexibility so you can't pivot when the market changes. To stay successful, you need to stay a little loose," Reed Hastings, CEO of Netflix, explained when we met him.

Innovating management

In 2006, a Dutch healthcare worker called Jos de Blok (Winner of the Thinkers50 2019 Ideas Into Practice Award) became frustrated with the inefficiency of traditional, management-led healthcare systems and created a new one, Buurtzorg. Based on self-organised teams, the Buurtzorg model effectively disbanded the management level, allowing small teams of nurses to manage their regions and patients themselves.

The Buurtzorg story in Holland has similarities with the Haier story in China, where CEO Ruimin famously sacked 10,000 middle-level managers in order to create multiple, microenterprises within the company. The

difference being that the Haier micro enterprises compete with each other whereas the Buurtzorg teams—which now operate in 24 countries worldwide—flourish on collaboration.

TECHNOLOGY SHIFT

Not surprisingly, the second big trend in management ideas is the rise of technology and digital thinking. In their 2017 book, *Machine Platform Crowd*, Eric Brynjolfsson and Andrew McAfee (T50 #8) argue that competition and labour—stalwarts of the mass-manufacturing models of the 20th century—are less important than collaborating, creativity, and networks.

They have identified three key changes in how we work:

- A shift from man to machine with the rise of AI—think self-driving cars, 3D printing
- A shift from products to platforms—think Uber, Airbnb, and Alibaba
- A shift from the core to the crowd—think de-centralised, self-organised participants such as Wikipedia contributors.

Richard D'Aveni (#7) provides powerful insights into the impact of AI in *The Pan-Industrial Revolution* (2018). His rigorous analysis of 3D printing demonstrates how this new way of manufacturing will change the economic and geopolitical landscape.

The rise of platform technology has turned the traditional business model on its head. In *Platform Revolution* (co-authored with Sangeet Paul Choudary, 2016), Marshall Van Alstyne (#36) and Geoff Parker (#36) explain the concept of the inverted firm, where value is increasingly created outside the organisation rather than internally, and offer guidance on how businesses can thrive in the era of platform technology. Their work on the Inverted Firm earned Van Alstyne and Parker the Thinkers50 2019 Digital Thinking Award.

Who is in charge?

The rapid advances in technology have also raised crucial questions of governance; how do we protect customer and employee privacy and citizen's rights? Van Alstyne has been turning his attention to preventing the spread of fake news. One possible intervention he suggests is putting pressure—what he calls 'friction'—on the

perpetrators, which requires the platform companies themselves (example, Facebook, Twitter, et al) to change their behaviour, incentives, and goals.

Futurist Amy Webb (winner of the Thinkers50 2017 Radar Award), and author of *The Big Nine* (2019) highlights the dangers of leaving the development and direction of AI to the big tech firms such as Google, Amazon, Alibaba, and Tencent, who serve masters with conflicting interests. “Wall Street wants profit now, with little regard for the consequences. The Chinese government wants citizens covered by social controls. As a result, these companies are making decisions that are not in humanity’s best interests,” says Webb.

PERSONAL SHIFT

The third trend we see in management thinking is the rising importance of soft skills. The evolution of technology, the emergence of innovation over efficiency, and the new business landscape of disruption and change require a re-valuation of leadership. Traditional ‘command and control’ power hierarchies are giving way to the fundamentals of responsibility and responsiveness. Leaders and managers need to be more agile, more engaged, and more empathetic to be able to enhance and harness the talents of the people in their organisation.

Talent and the human touch

In her book *Multipliers* (2017), Liz Wiseman (#17 and winner of the 2019 Leadership Award) distinguishes two types of leaders: the ‘diminisher’ who drains the capabilities of their team; and the ‘multiplier’ who amplifies the ideas and talents of those around them. The best leaders, she argues, are the leaders that motivate others to do their best.

Amy Edmondson (#3), winner of the Thinkers50 2019 Breakthrough Idea Award for her pioneering work on psychological safety, shows in her 2018 book *The Fearless Organization* how being

THE EVOLUTION OF TECHNOLOGY, THE EMERGENCE OF INNOVATION OVER EFFICIENCY, AND THE NEW BUSINESS LANDSCAPE OF DISRUPTION AND CHANGE REQUIRE A RE-VALUATION OF LEADERSHIP.

able to speak your mind is essential to innovation and to attracting and retaining talent. Edmondson has also conducted extensive research into teams and coined the concept of ‘fast-paced teaming’ where the ideal team is an evolving group that adapts and changes in

response to different new challenges.

Teams are also forefront of *Disrupt Yourself* (2016) and *Build an A-Team* (2018) author Whitney Johnson’s (#14) latest books. In *Build an A-Team*, she illustrates how investing in employees enables an organisation to thrive no matter what the future holds. This means identifying what employees know and what they need to learn and designing their roles accordingly, to enable them to tackle each new challenge and to maximise engagement as a team. Develop high-growth individuals, Johnson says, to execute high growth and achieve ambitious organisational goals.

“If employees feel safe, they’re able to create and they’ll be much more productive because that’s where innovation comes from. If not, they go into the cave emotionally, and all their energy goes into making sure they’re protected.” - Whitney Johnson

GLOBAL SHIFT

The final big trend we see at Thinkers50 is one that we are proud to promote—the spread of management ideas around the world. Management thinking has become truly global and is undergoing a geographical and cultural shift. This is the fourth emerging trend.

From Silicon Valley to Bengaluru, Shenzhen, and Silicon Savannah

The US is no longer the epicentre of management ideas, or the front of all knowledge. The emergence of Chinese and Indian thinkers in particular—the most influential being the late

C K Prahalad (T50 Hall of Fame)—has taken the power out of Palo Alto.

Chinese thinkers such as Zhang Ruimin, proponent of ‘rendanheyi’, and Ming Zeng (28), author of *Smart Business* (2018), join Indian

globalisation expert Pankaj Ghemawat (#19) and Bangladesh-born ‘quality prophet’ Subir Chowdhury (#24) in the Thinker50 2019 rankings, as do founders of the China India

Institute, Anil Gupta and Haiyan Wang (#25), while innovation guru Vijay Govindarajan joins C K Prahalad in the Thinkers50 Hall of Fame.

It is not just Asia that is knocking on the door of management thinking. A recent World Economic Forum/Harvard Business Review report* highlighted the emergence of entrepreneurship in Africa, with tech clusters forming in Nairobi (Silicon Savannah)

PUT THE HUMAN BACK INTO BUSINESS AND WE MIGHT THEN SEE ANOTHER SIGNIFICANT SHIFT: FROM CORPORATIONS BASED ON PROFIT-SEEKING TO ORGANISATIONS AS MAJOR INVESTORS IN OUR COMMON FUTURE.

and Lagos (Yabacon Valley), and notable initiatives such as Rwanda's government-to-citizen e-portal, Irembo. In the next few years, we expect to see the rise of African management thinkers.

Reverse innovation

Developing countries are reversing roles with the richer nations when it comes to innovation. Whereas once we believed it was the industrialised West that came up with the inventions and exported them to less developed regions, innovation, as Govindarajan says, is actually very suited to smaller economies, where the need for innovative ideas is perhaps much more acute, and it is the developing countries that are now exporting to the rich. The Indian NH healthcare organisation is one prime example, having now opened a profit-making hospital in the Cayman Islands offering open-heart surgery to Americans for one fiftieth of the cost of the equivalent procedure in the US.

CONCLUSION

If we had to distil the best in emerging management ideas into one key takeaway, we would go for 'be human'. The competitive shift is towards creativity and collaboration; the technology shift is about mind over machine; the personal shift is towards creating talent; and the global shift demands cultural awareness.

The theme of tech giant Fujitsu's 2019 Forum was 'Human Centric Innovation - Driving a Trusted Future'. Matt Gitsham, Director of the Ashridge Centre for Business and Sustainability at Hult, says "In today's world, making money is not the only role of a business leader—you also have a collaborative role to play alongside political leaders and civil society leaders to take the lead in tackling global challenges."

Put the human back into business and we might then see another significant shift: from corporations based on profit-seeking to organisations as major investors in our common future.

Corporations can also take part in re-imagining capitalism. Rather than shareholder returns being the main aim, firms can re-align their values and mission with a much wider goal: bringing returns to the whole community," says Issac Getz, author of *The Altruistic Corporation*.

"In August, nearly 200 CEOs of giant multinationals who are part of the Business Roundtable declared an end to a decades-long obsession with shareholder returns. The purpose of a corporation, they said, is "to create value for all of our stakeholders," comments Andrew Winston, author of *The Big Pivot*.

Thinkers50 is built on three enduring beliefs: ideas can change the world; management is essential to human affairs; and fresh thinking can create a better future for all. Those beliefs have never seemed so valid or relevant. ♦

Reference

* https://www.weforum.org/agenda/2019/12/technology-digital-revolution-africa/?utm_source=sfmc&utm_medium=email&utm_campaign=2709001_Agenda_weekly-FinalTemplate-3January2020-20200101_090548&utm_term=&emailType=Newsletter

‘CREATE THE FUTURE WHILE MANAGING THE PRESENT’

Professor Vijay Govindarajan talks at length about the three box solution, and how the past, the present, and the future have to be balanced in order for organisations to survive long term.

VIJAY GOVINDARAJAN

is the Coxe Distinguished Professor at Dartmouth College’s Tuck School of Business and an NYT and WSJ Best Selling author of the book *Three Box Solution: A Strategy For Leading Innovation*.

C HALLENGES OF DRIVING INNOVATION WHILE MEETING THE DAILY DEMANDS OF A BUSINESS...

Let us take the example of India. There is not just one India, but three Indias. India number one, which is the top of the economic pyramid (TOP), is the developed India. There are about 50 million people in TOP, and their per capita income is 5-10 times the national average. Then there is India number two—the developing India and the middle of the economic pyramid (MOP)—comprising probably close to 500 million people. India number three is the underdeveloped India, the bottom of the economic pyramid (BOP) where there are about 500 to 600 million people. The per capita income of the middle of the economic pyramid is 5 to 10 times that of those in India number three. But so far, in India, we have only produced goods and services that India number one consumes.

Achieving India’s true potential lies in ensuring that India number two and India number three

also get goods and services of the same quality as India number one. You have a core business (Box 1), which is what India number one is consuming. While preserving that, you have to create new business models to serve India number two and India number three (Box 2 and Box 3). And this is what the three box solution is all about. So, there is the present business (Box 1), which has a performance gap. But then you need new businesses too (Boxes 2 and 3), which represents a possibility gap.

This is the challenge General Motors is facing today. They have a core business, which is internal combustion engine-driven automobiles. To future-proof the company, they have to create self-driving cars, electric cars, and ride sharing. I think they sold 10 million automobiles in the year 2019, out of which 99 per cent comprised internal combustion engine-driven gasoline automobiles. But in the future, this mix will change. Therefore, the challenge for them is: how to create the future while managing the present—how to close the



possibility gap even while managing the performance gap?

THE THREE BOXES AND THE INSPIRATION BEHIND THE CONCEPT...

Box 1 is about managing the present, Box 2 about selectively forgetting the past, and Box 3 about creating the future. Most organisations focus on Box 1, which is definitely important. But Box 2 and Box 3 are about achieving the true potential of the company. Box 1 is about efficiency—managing the performance gap. Boxes 2 and 3 are about breakthrough innovation—they pertain to the possibility gap. Both are important, and that is why strategy is always about creating the future while managing the present.

It is similar to the Vishnu-Brahma-Maheswara concept in Hinduism. Lord Vishnu is the God of Preservation, managing the present—Box 1. Lord Shiva, the Lord of Destruction, destroys the past—Box 2. Then there is Lord Brahma, the Lord of Creation, who creates the future—Box 3.

It is through this rhythmic cycle of preservation, destruction, and recreation that humanity sustains. I have taken this concept from

age-old Hindu scriptures and repackaged it for corporations—to emphasise that if businesses have to sustain forever, they have to master the three processes of preservation, destruction, and recreation.

FORGETTING THE PAST...

Of the three boxes, the toughest is Box 2. Forgetting is difficult for organisations. Remember you cannot learn unless you forget. It is about selective forgetting—every organisation has roots as well as chains. If you cut the roots, then the tree dies. Therefore, you better understand what your roots are; fertilise them, strengthen them, and preserve them. Every organisation is also held to the past with chains; unless you break loose from those chains, you will never get to the future.

For General Motors, forgetting is very difficult because for internal combustion-

driven automobiles, the core competency is mechanical engineering. But self-driving cars are not automobiles on wheels, they are actually computers on wheels. Therefore, you need computer science/artificial intelligence, which is a completely different competence. For General Motors, it is difficult to forget because what they need to forget is their current strength, which is mechanical engineering. And therein lies the future weakness. The future weakness lies in their current strength. No one wants to give up their strength, and that is why Box 2 is so difficult.

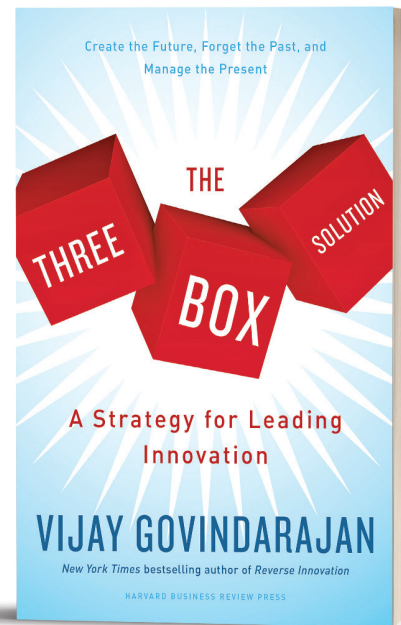
THE FUTURE IS NOW...

Strategy is about achieving your true potential. Strategy is really about leadership in the future. If you are a company, then it is about how you are going to be a leader in the year, say 2030. But strategy is not about what you have to do in the year 2030. It is very much about the projects you are doing in 2020 across the three boxes so that you become a leader in 2030. So, for General Motors, self-driving cars or autonomous cars may become a reality only in 2030. But they have to start investing in those business models right now. Because the future is now. Future is not about what you have to do in the future.

RELEVANCE OF THE THREE BOX FRAMEWORK...

Innovation is never easy, but this framework helps in structuring the conversation. It brings to the highest level in the organisation that if you do not innovate, then you will die. The three box solution essentially brings in the importance of breakthrough innovation while improving the efficiency of the present business. There is not a single company in the world that does not need the three boxes. Everyone needs it, whether you are small, medium-sized, or big; whether you are in manufacturing or services; whether you are doing high tech or low tech.

Future comes in daily doses; it never arises all of a sudden in the future. If you are a human



resources department, then you must have projects in all the three boxes. You cannot hire talent to only support the Box 1 business. You must also hire talent to make sure your company is a leader in the year 2030. Therefore, it applies to everybody.

The three boxes apply to individuals too as much as they do to departments. For example, one of the Box 3 investments for an individual is to exercise every day, which would ensure future health. But many people postpone this investment because not doing exercise does not affect their health today. But if you really think hard, then you realise that if you do not exercise today, your health actually declines today although this decline may be small and insignificant. Future comes in daily doses. It never arises all of a sudden.

APPLYING THE THREE BOX STRATEGY TO GAIN COMPETITIVE ADVANTAGE...

Let me give you the example of Hasbro, a US-based toy and games company. Around 20 to 25 years ago, they used to make toys and games for family entertainment, but these were analog games. Monopoly board games were created with the idea of promoting social interaction among family members. But the concept of family members playing in a face-to-face setting is now a thing of the past. Also, technology has totally disrupted the gaming sector in the last two decades—we have internet games, electronic games, video games, and so on. There has been disruption in distribution channels too. Also, the gaming concept in terms of customers has changed drastically over the years. Toys and games used to be purchased for

kids 15 years and younger, whereas gaming now attracts people of all age groups. This meant Hasbro had to do breakthrough innovation.

Again, think about the growth possibilities of Hasbro in emerging markets like India. Historically, it was an American company with 100 per cent of its sales in the US. But if you want to create toys and games in the Indian market, the affordability here is different. The culture is different and so is the entertainment concept; the distribution channels and the local competitors are different too. So, in the last 25 years, Hasbro has completely embraced the three box theory and created breakthrough business models in digital gaming, and extended its brands in different ways. For example, Transformers, historically, was just a toy. But it is now a movie too. The brand has extended to different platforms. Transformers now has a theme park, there is a Transformers ride too.

INNOVATION AS A COLLECTIVE JOURNEY...

Without question, everybody has a role in the three box solution—the CEO, the top management, the middle management, and also people at the bottom of the organisation. According to the three box solution, essentially every organisation has two gaps to fill—the possibility gap and the performance gap. Therefore, everybody is involved in one or the other.



It is a question of balance; it is not that one or the other is the only thing you have to do. Therefore, everybody across the organisation must read, understand, and practise the three box solution.

THE THREE BOX SOLUTION IN THE INDIAN CONTEXT...

India is an old civilisation, but we are a young country from an economic viewpoint. This means the possibility gap in India is humungous, and of course, we have a performance gap too. Therefore, for India and for Indian companies particularly, the three box theory is absolutely critical.

Take a look at IT services—Infosys, Wipro, TCS, etc. Around 25 years ago, it was a Box 3 idea. Today, the global delivery model—BPO, call centres, etc—have become Box 1 businesses. The challenge now for IT companies is to think about Box 3, which is to help their customers undergo digital transformation. Indian IT services firms must preserve the present, which is still successful, and at the same time reinvent themselves in the new world. If Infosys and Wipro are consulting for General Motors, then they have to help the company become a digital firm. This would require a completely new set of capabilities and new business models. This is a big challenge and opportunity for Indian companies. ♦

(As told to Anitha Moosath)

MULTIPLIER EFFECT

Leaders have a great opportunity—to take co-workers along and help them improve their core strengths and capabilities. But many fail to acknowledge the role others can play, and are most often lost in a self-centred pursuit. Liz Wiseman talks about the benefits of a leadership style different from this—one in which leaders employ their own knowledge to amplify the capabilities of others.

LIZ WISEMAN

is a researcher and executive advisor who teaches leadership to executives around the world. She is the author of *The New York Times* bestseller *Multipliers: How the Best Leaders Make Everyone Smarter*, *The Multiplier Effect: Tapping the Genius Inside Our Schools*, and *The Wall Street Journal* bestseller *Rookie Smarts: Why Learning Beats Knowing in the New Game of Work*. She is the CEO of the Wiseman Group, a leadership research and development firm. She is a frequent guest lecturer at BYU and Stanford University and a former executive at Oracle Corporation, where she worked as the Vice President of Oracle University and as the global leader for Human Resource Development.

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HOW WOULD YOU DISTINGUISH BETWEEN 'MULTIPLIER' AND 'DIMINISHER' LEADERSHIP STYLES?

First, let us consider what I term 'diminisher' leaders. These leaders drain intelligence and capability out of the people around them. Their focus on their own intelligence, and their resolve to be the smartest person in the room has a diminishing effect on everyone else. They typically lead by telling others what to do, making the important decisions themselves, and micromanaging others to get results.

In our research, we asked professionals to identify the percentage of their capability that a diminisher leader received from them. The numbers typically ranged between 20 and 50 per cent, with an average of 48 per cent, meaning that these leaders get, on average, less than half of the intelligence and capability of the people who

work for them.

Now, let us consider the 'multiplier' leader. These leaders use their intelligence as a tool rather than a weapon, utilising their own knowledge and capability to amplify the smarts and capability of people around them. I call them multipliers because people get smarter and better in their presence. These leaders ask big questions, foster innovative thinking, offer stretch challenges, and give other people ownership. But they also have extraordinary, high expectations and hold others accountable, which is why they get so much more capability from people who work for them.

When we asked professionals to identify the percentage of their capability that the multiplier extracted, the numbers typically fell between 70 and 100 per cent, with an average of 95 per cent. When comparing the two sets of data, we found that multipliers got 1.97 times more from their



people. That represents an almost twofold increase—a 2X effect. I call this advantage the ‘multiplier effect’.

YOU AND GREG MCKEOWN DELINEATED THESE LEADERSHIP STYLES ABOUT A DECADE AGO. WHAT HAS CHANGED IN THE YEARS SINCE?

1. The multiplier leadership style has become the new normal. When *Multipliers* was released in 2010, the ideas were considered novel, even subversive. In the last decade, the idea that leaders’ most important job is to amplify the capability of their team has become commonly accepted and standard practice in many organisations.

2. The real problem is the ‘accidental diminisher’. When I began this research, most diminishers appeared to be tyrannical, narcissistic bullies. But today, the vast majority of the diminishing happening inside our workplaces is done with the best of intentions by what I call the accidental diminisher—good people trying to be good managers. For example, one way a manager might accidentally diminish is to be overly helpful to someone that is struggling with a difficult piece of work. Jumping in too quickly to help can prevent

important learning and cause the subordinated employee to delegate up when problems arise. Much of today’s challenge is helping leaders see that their good intentions can have an adverse effect on someone’s performance or learning.

3. The need is more universal. Ten years ago, it was clear that highly innovative and knowledge-intensive industries like technology and biotech required multiplier leadership. But, with globalised supply chains and innovation centres arising around the world, the need for multiplier leadership now spans industries and cultural boundaries. In cultures with high levels of hierarchy, we still find the presence of multiplier leaders, but we find that the effects of diminisher leaders are more pronounced—the 2X difference between multipliers and diminishers becomes a 3X differential.

4. It is not just for millennials. Certainly new and

younger workers expect, if not demand, to be treated differently than those who came before them. However, contributors of all ages and stages want their ideas to matter, their voices to be heard, and to work in environments where they can grow. What is good for the millennials is good for the mainstream.

WHAT ARE THE WARNING SIGNS OF A DIMINISHER LEADER? CAN A DIMINISHER TRANSITION INTO A MULTIPLIER?

Bill Campbell, former CEO of Intuit (and the subject of the recent book *The Trillion Dollar Coach*) is a great example of a diminisher who transitioned to a successful multiplier. He claimed that he began his career as one of the great diminishers of all time—intimidating team members who asked naive questions and perfecting the art of micromanaging. He burrowed into every detail in the business and directed every decision and action. He said, “I drove everyone nuts. I was a real diminisher. Believe me, I made every decision, and I pushed everyone around.”

While leading a startup tech company, his diminishing got so bad that two of his employees boldly came to him to express their concern that he was shutting everyone down. This counsel from two trusted colleagues was just the dose of self-awareness that Campbell needed. He could see his need for a course correction, and he made it. He started by listening more and telling less. He

COMPANIES CAN GROW TO A CERTAIN SIZE BASED ON THE STRENGTH OF THE FOUNDER'S INTELLIGENCE, BUT FOR A COMPANY TO GROW, BECOME SUCCESSFUL, AND ENDURE, THESE LEADERS NEED TO DEVELOP INTO MULTIPLIERS OR SURROUND THEMSELVES WITH OTHER LEADERS WHO HAVE A MULTIPLIER EFFECT.

began to develop a deep appreciation for what his colleagues knew.

Campbell became a better leader over time. It

was a steady transition that happened naturally out of his desire to preserve his team and to realise the value of the incredible talent that he had attracted. By the time Campbell became CEO at Intuit and led the company past the \$1 billion revenue mark in 2000, he had uncovered the multiplier inside of him.

But his leadership journey did not end there. Campbell was not just a multiplier; he became a multiplier of multipliers. He became the behind-the-scenes coach to some of Silicon Valley's biggest business titans, including leaders like Apple's Steve Jobs, Google's Eric Schmidt, and Amazon's Jeffrey Bezos. He became known as 'The Trillion Dollar Coach' because of his instrumental role helping these founders create enduring business value by deeply using the talent inside of their teams.

Campbell was fortunate to have courageous colleagues who helped him spot his diminishing behaviour. Here are a few signs that you or another leader might be having a diminishing effect:

- The leader is doing most of the talking in team meetings
- The work environment is tense rather than intense
- The leader is making the decisions and then trying to 'sell' these decisions to their team
- The team members are doing their job and nothing more.
- There is a large gap between the capability of the leader and their team members

SOCIETY TENDS TO LIONISE HEADSTRONG INDIVIDUALS WHO VIEW THEMSELVES AS THE MOST INTELLIGENT PERSON IN A ROOM, ESPECIALLY IN THE STARTUP WORLD. IS THERE A NEED FOR A MINDSET SHIFT TO COMBAT THIS PERCEPTION?

The startup world is replete with genius founders. And while you may be able to start a company with pure genius (and perhaps survive for a time), to sustain the initial success, you need leaders who are also genius makers.

Many founders and visionary leaders have a mixed bag of diminisher and multiplier traits. For some of these high-profile leaders, the news media focus on their diminisher tendencies (because this story tends to be more interesting to readers).

As you consider the diminisher qualities of company founders and other iconic leaders, consider the following: 1) Strong leaders (especially founders) typically have diminisher characteristics,

but they often have a couple of even more dominant multiplier characteristics that compensate for their diminishing tendencies; 2) Top leaders (such as CEOs) with diminisher characteristics often compensate by bringing in other leaders (eg, a president or COO) who have strong multiplier characteristics; 3) Leaders with strong diminishing tendencies might be well suited to lead organisations in stable environments but struggle in complex, changing environments; and 4) Company founders often start companies on the strength of their own ideas. Companies can grow to a certain size based on the strength of the founder's intelligence, but for a company to grow, become successful, and endure, these leaders need to develop into multipliers or surround themselves with other leaders who have a multiplier effect.

UNDER IDEAL CONDITIONS, MULTIPLIERS CAN CULTIVATE THE BEST OUT OF THEIR TEAM. HOWEVER, WHAT IS THE COURSE OF ACTION FOR THEM WHEN FACING ISSUES SUCH AS DISSONANCE WITHIN THE TEAM OR UNPRODUCTIVE EMPLOYEES?

While everyone has something to contribute, not everyone is contributing at the same level. To multipliers, people are like skylines, where buildings of varying heights and colours create a jagged, irregular profile. They appreciate the rich diversity of intelligence and talent around them. They acknowledge that not everyone is at the same level of capability, but they believe that everyone's capability can increase. Instead of trying to bring everyone to the same level, they up-level each person, building a floor or two of capacity at a time.

Here are some suggestions for leading people who appear to be low performers:

1. Leaders should start with the assumption that the person is smart and capable of being a top performer. Sometimes people need someone to expect and demand more from them.
2. Instead of asking, "Is this person smart?" it is better to ask, "In what way is this person smart?" A manager may not be able to turn them into her version of a top performer, but she will find out what they are brilliant at, and then she can look for ways to put their strengths to work on her top challenges.
3. Remember that low performers are often former (or potential)

superstars who have been historically diminished by their leaders (often accidentally or through neglect). Even if a leader does all the right things to be a multiplier, he or she may not respond immediately because either they are not

WHEN A LEADER CREATES AN ENVIRONMENT WHERE EACH PERSON'S UNIQUE INTELLIGENCE IS UNDERSTOOD, APPRECIATED, AND PUT TO GOOD USE, IT CREATES A BETTER TEAM ENVIRONMENT—ONE WHERE DISSONANCE FADES AND COLLABORATION IS STRENGTHENED.

accustomed to being given challenging work, or they have learned not to trust their managers. The leader must start small and earn their trust.

Just because someone is leading like a multiplier does not mean they will not encounter performance problems. If a leader's team has chronic low performers, they must take care of the situation and help them move to an environment or team where they can contribute more.

Additionally, when a leader creates an environment where each person's unique intelligence is understood, appreciated, and put to good use, it creates a better team environment—one where dissonance fades and collaboration is strengthened.

MULTIPLIERS FOSTER AN ENVIRONMENT WHERE IT IS SAFE TO MAKE MISTAKES AND HAVE BIG IDEAS. HOWEVER, WHO TAKES RESPONSIBILITY FOR THE MISTAKE OR IDEA IF IT BACKFIRES PUBLICLY?

Good leaders are likely to take responsibility for the mistakes that happen in their organisation on their watch, especially the high-profile mishaps. However, it is also the leader's job to make sure people are taking smart risks, and to minimise high-stakes mistakes that will put their customers and stakeholders at risk and could cause public embarrassment. A short-sighted leader might try

to encourage innovation by simply telling people to be innovative and take risks. However, a much wiser leader will encourage smart risk-taking by letting people know where it is safe to take risks. They will clearly define where it is okay to experiment and risk failure versus where success must be ensured.

BURNOUT OCCURS WHEN PEOPLE ARE MERELY DOING MORE OF THE SAME OR WHEN THEY CANNOT SEE THE RESULTS OF THEIR HARD WORK. GOOD LEADERS DO NOT JUST GIVE PEOPLE MORE WORK, THEY GIVE THEM HARDER WORK—A BIGGER CHALLENGE THAT PROMPTS DEEP LEARNING AND GROWTH.

A manager can define the space for experimentation in the team's work by clearly outlining the area where it is okay to fail versus when failure is not an option. This delineation acts like a ship's waterline (as described by management author Jim Collins): above the 'waterline', people can experiment and take risks and still recover; however, mistakes below the waterline are like cannonballs that may cause catastrophic failure and 'sink the ship'. When a manager creates a clear 'waterline' for the team, it gives them confidence to experiment and take bolder action but also signals to them to be extra diligent where the stakes are high. This distinction will also signal to the manager when they can take a step back and when they need to jump in and rescue.

HOW WOULD A MULTIPLIER BALANCE THE NEED TO EXTRACT THE MAXIMUM CREATIVITY AND RESOURCEFULNESS OUT OF AN INDIVIDUAL WHILE MAKING SURE THEY ARE NOT OVERWORKED?

The research has shown that when people work for diminishers, they give only half of their capability, yet they consistently report the experience to be exhausting. In contrast, under the leadership of multipliers, people are able to

give their all—100 per cent even—and describe the experience as 'a bit exhausting but totally exhilarating!' It is interesting that giving half our capability is exhausting but giving our all is exhilarating. We often think burnout is a result of working too hard, but more often burnout occurs when people are merely doing more of the same or when they cannot see the results of their hard work. Good leaders do not just give people more work, they give them harder work—a bigger challenge that prompts deep learning and growth.

One of the most critical jobs of a leader is setting the stretch right—if the size of the challenge is too big, people are likely to break or burn out from exhaustion.

If the challenge is too small, people will experience the burnout of boredom. A good challenge should be something that is big enough to stretch someone but not big enough to break them. If a manager is not sure how to get this degree of tension right, he or she should ask the person what level of stretch they believe they are presently capable of.

IS IT POSSIBLE FOR A MULTIPLIER TO DIGRESS INTO A DIMINISHER? UNDER WHAT CIRCUMSTANCES IS THIS LIKELY TO HAPPEN?

Many leaders I have studied or coached have once had the mind and even the heart of a multiplier, but they had been working among diminishers for so long that they inherited many of their practices and absorbed their worldview. As one executive put it, "When I read your findings, I realised that I have been living in diminisher land so long that I have gone native." Many people have worked for diminishers and, although they may have escaped unscathed, they carry some of the residual effects in their own leadership. These diminishing practices can easily surface during times of stress.

As a leader, it is important to understand what situations trigger your accidental diminisher tendencies. For some, a high-stakes situation or a short timeframe can trigger micromanaging. For others, it might be an awkward silence in a meeting that prompts a manager to give answers rather than ask good questions. For another, it might be their own enthusiasm for a new initiative that causes them to take over rather than share ownership and accountability with their team. Either way, if a manager knows what tends to trigger their accidental diminisher tendencies, they



can watch for those triggers and redirect to multiplier practices.

WHAT ROLE DOES AN EMPLOYEE HAVE IN IDENTIFYING THE BOSS AS A DIMINISHER AND SEEKING A CHANGE IN LEADERSHIP STYLE?

Too many well-intended managers are stuck beneath diminishing leaders. They aspire to lead by bringing out the best in others but find themselves being pulled down by a diminisher above them in the organisation.

Most people have developed their own strategies for dealing with diminishers. The research my team and I conducted, interviewing dozens of professionals and surveying hundreds more, showed that the five most prevalent reactions to diminishers are: 1) Confront them, 2) Avoid them, 3) Quit, 4) Comply and lie low, and 5) Ignore the diminishing behavior. My research also showed that the five least effective strategies in dealing with diminishers are: 1) Confront them, 2) Avoid them, 3) Comply and lie low, 4) Convince them you are right, and 5) Take HR action. In other words, the most popular strategies for dealing with diminishers are also the least effective.

While it is common to want to respond to diminishers by either arguing with them or pushing them away (both of which further the

Diminishing cycle), typically, the best way out of a diminishing situation is to 'multiply up'. Instead of confronting them, professionals can help a leader recognise their diminishing effect by asking them about their best intent and helping them discover the gap between their good intent and the less-than-ideal impact they are having. And, instead of pushing a diminisher away, one can try to respond to diminishing behaviour with inclusion by asking for their opinion, including them in meetings, understanding and using their strengths, and keeping them informed. Such actions will not necessarily transform them or their leadership, but it will reduce the diminishing dynamic and create more space to contribute at their fullest. ♦

(As told to Bindu Nair)