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# LEADERSHIP IN THE AGE OF COMPLEXITY

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Charles Darwin's is still the perfect quote on evolution; "It is not the strongest species that survive, nor the most intelligent, but the ones most responsive to change." We have seen this principle play out in nature, and now, poised at the cusp of a different kind of evolution; the evolution of business - I believe, no other words are more relevant.

Let me elaborate - in my professional capacity, I have met some of the brightest and most ambitious global CXOs, and over the last 5 years my focus has been on businesses in India. Interestingly, I have noticed that the air in today's boardrooms is surprisingly filled with fatigue, and not fear. I have recognized confidence amongst executives, who are sure about their country's and business' future and are unafraid of bold bets and experiments. But, I've also seen these same executives make poor choices over and over again, which inevitably leads to decision fatigue.

***Most executives in India want their technology investments to achieve too much, too soon - which results in losing sight of why their companies undertook the complex journey of disruption, in the first place.***

Business enablers like ThoughtWorks and business leaders like yourself, are in the midst of unprecedented (but not unforeseen) changes within the businesses environment. You, in your role are expected to lead from the front, and consistently deliver value, which is exactly what today's technology holds immense potential for. However, more often than not, technology (and the way it's implemented) is viewed as a tactical short intermission, rather than the long-term value generator, that it is. This attitude exists because, a lot of leaders are still using the irrelevant learnings and teachings passed down from the industrial economy.

*Principles passed down from the industrial economy are inapplicable today, because businesses are functioning in a Knowledge Economy. We are living in an age of creativity that calls for a new paradigm of leadership. The kind of leadership that creates long term value and invests in employee and stakeholder engagement, one that builds a learning organization, which is lean and innovates quickly. And, most importantly, a leadership that creates a successive management pipeline that will ably respond to current and future business challenges.*

## How have the rules changed?

The world is witnessing a radical recasting of the business and technology dynamic. The World Economic Forum is calling this the Fourth Industrial Revolution, where [technology is at the core of every business](#). Such digitization means that technology is no longer just an enabler, but if implemented and adopted well, it could be a strategic asset for the business. As I write this, something Steven Wright, an Academy Award winning comedian, writer and actor said, comes to mind, "Experience is something you don't get until, just after you need it." It seems relevant because I believe that [winning the battle of digital-business wits comes down to timing](#).

In India, many business leaders express their frustrations over the several simultaneous factors that are changing the nature of their business. One is the Perfect Storm made up of multiple variables (relevant to the subcontinent) like the macroeconomic environment, customer expectation, emerging competitors, public perception, regulatory impact, shareholder angst, talent expectations and emerging tech that's smashing into businesses.

Second is that digitization is sprouting a new kind of competitor, given the prevalence of low entry barriers for new businesses. These digital native businesses leverage the 'plug and play' approach with their access to on-demand digital assets and elastic infrastructure. Third, unlike ever before, new businesses are hyper-focused and lean in their setup which ensures that they legitimately compete with well established enterprises. The former can also scale rapidly, at low costs and architect highly personalized experiences for their wide network of customers.

In this scenario, legacy business leaders are on a back foot because they still harbor a factory mindset when it comes to the adoption of digital technologies. They tend to choose economies of scale over [continuous innovation](#).

During my reading of his commentary on this phenomenon, I particularly like the term that Robert Safian, editor and managing director of Fast Company coined; [Generation Flux](#). He uses the term to explain how, the velocity of change in our economy has made chaos the defining characteristic of modern business. He goes on to write, "The pace of change in our economy and our culture is accelerating, fueled by global adoption of social, mobile, and other new technologies, and our visibility about the future is declining."

With chaos comes uncertainty and that makes it difficult for leaders and executives, like yourself to answer core questions regarding the businesses you lead. Some of these questions are:

*What technology bets should I be investing in?*

*What will give me a competitive advantage?*

*What skills are needed to win in the new world order?*

*How do I weigh potentially risky decisions vs. the decision's potential opportunity?*

## Beware of the Anti-pattern

Before I share the new leadership paradigm with you, I think we should spend a little while on what I call the Anti-patterns. This behaviour is usually observed amongst ill-equipped leaders who oversee an organization's journey across the digital chasm, and it ends up being counter intuitive to the company's digital future. Such anti-patterns can negatively shape the promise of technology.

### *1. The wait and watch wstrategy*

Many Indian business leaders might acknowledge the promise of digital, while not wholeheartedly investing in it. These leaders risk being the laggards of their domain, when it comes to technology adoption. They should not employ this wait and watch strategy but sponsor a lot of tech innovation programs and function from a place of bold experimentation.

### *2. Skill gap check*

A lot of the leaders that I have met, tend to assign today's digital challenges to long standing team members, who come armed with several years of experience but not the requisite set of digital-ready skills. To navigate the complexities, sometimes leaders over-rely on short term vendors, to both, bring in and manage the capabilities. This amounts to outsourcing a business' digital strategy which is unsound business sense.

### *3. Organizational creativity*

Dramatic changes in the marketplace inevitably flow back into the enterprise. Today's business leaders should deliver a new standard of organizational creativity by making business and technology, both, collaborative and nimble partners. Another aspect of the desired creative culture is a nuanced understanding of workforce demographics. Leaders should move away from top-down broadcast to a networked world of small teams that value original thought.

### *4. Innovation governance*

While it's encouraging to see the rise of in-house innovation labs, startup accelerator initiatives and interesting industry connect programs, few leaders have been able to make these efforts a part of mainstream business. Leaders who practice innovation governance see small experiments validated through quick feedback and even quicker decision making, which leads to either pivoting or doubling down investments that can scale the new capabilities.

### 5. Commitment to agility

Leaders need to commit to the agile approach of self-organizing teams, iterative development, [continuous integration](#) and [evolutionary architectures](#). Business agility should be the norm for all digital leaders.

### 6. Automation vs. re-imagining

Digitization provides an opportunity to re-imagine everything from business models, stakeholder engagement to ecosystem platform thinking that can house multiple collaborative and mutually beneficial partnerships. Many leaders push the digitization agenda only to a limited extent - perhaps including business process automation or imitating competitors' digital programs/solutions. This is indicative of a fragmented digital strategy that has a specific shelf life, and is bound to fail.

*An example of fragmented digital strategy is the race/trend of every Indian business to get itself a mobile app. It stems from leaders who do not understand the potential of having a comprehensive [Digital Platform Strategy](#), that better connects the business to customers and partners and offers uniquely crafted experiences.*

## The New Leadership Paradigm

What should be your leadership style in this chaotic environment? I have put down a model based on my 18 years of experience, and am also drawing pointers from a first of its kind report by ThoughtWorks. [The Next Big Disruption: Courageous Executives](#) reveals what sets top business leaders apart from their competition. The report sheds light on the leadership styles of Courageous Executives including their tolerance for risk and failure, their use of customer insights and the ways leaders are preparing for the future of work.

## Fluid Leadership

One of the most fundamental characteristics of today's successful leader is embracing instability. This means she or he is ready to recalibrate everything they know, along the way. The term Fluid Leadership suits what I am trying to get to, perfectly.

Fluidity, synonymous with changeability is the ability to move with grace. Fluidity is working around aforementioned chaos. Now, unfortunately all of our institutions in India, educational, corporate and political are based on stringent command and control structures and don't naturally lend themselves to fluidity. Another important nature of fluidity is to know the 'one size fits all' paradigm does not exist even within the same domain.

# Makings of Fluid Leaders

For most, simply because of the pace at which business need to adapt, fluidity is more of a learnt skill and constant application, validation and improvement are needed to excel at it. I have listed a few foundational skills that are important for a fluid leader -

## 1. *Value creators*

When leaders engage and collaborate across business, government and the broader stakeholder ecosystem, they employ balanced motivations to create maximum value. Such leaders combine their motivations and influence, towards broader social impact and generating wealth.

## 2. *T-shaped*

Fluid leaders exhibit skills beyond their primary domain. They enjoy a strong command over business imperatives like quantitative analytics, strategic planning and stakeholder management. They invest in acquiring new skills and keep themselves abreast of everything from geopolitical landscapes to global economic trends to humanities and demographics, apart from being significantly invested in technical advancements. These problem solvers are what we like to call, T shaped - who enjoy a deep understanding of their own domain, and a broad understanding of the world around them.

## 3. *Contextually aware*

Leaders should understand the differences within and between sectors - of language, culture and key performance indicators. Ideally, they constantly network with the larger ecosystem and gather intelligence that can subsequently be applied, within context, to their domain of expertise.

## 4. *Relentless networker*

According to an [HBR](#) article, effective leaders learn to employ networks for strategic purposes. And fluid leaders are nothing, if not effective. They cultivate relationships across sectors, draw from them while advancing their ambitious agenda of technology-led innovation. Interestingly, their networking skills are valuable to them within the organization as well. They see themselves as multipliers, and work towards constantly aligning the right skills to the right opportunities.

## 5. *Focus on essentials*

Fluid leaders choose their battles, and relentlessly pursue the principle of doing less. They have enviable clarity of purpose and the perseverance of going the distance. For everything else they create and nurture, independent and empowered teams.

## 6. *Bold futurists*

One of the more striking characteristics of fluid leaders is their genuinely optimistic nature, about the future of mankind and the role of technology in said future. Such leaders pursue technological investment from the perspective of possibilities, rather than risks. They are naturally inspirational, and prone to experimentation and innovation. Failing fast and quickly adapting comes naturally to them.

What I have shared are broad strokes, because there still does not exist a single template for successful leadership, in the new age of flux and chaos. The only right move is for leaders to adopt, adapt and acquire new skills that are relevant to the new business dynamic. The future is bright if every leader, like yourself has the courage to recalibrate and embrace the digital future.



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