

# Responding to Leadership Challenges

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CCH Learning:

Hello, everybody, and welcome to today's webinar, Responding to Leadership Challenges. My name is Susannah Gynther from Wolters Kluwer CCH Learning, and I will be your moderator for today. A few quick pointers before we get started. In the handout section, you'll find the PowerPoint slide for today's presentation. If you're having some sound problems, please check your audio settings, try to toggle between audio and phone. And just a reminder that within 24 to 48 hours, a notification for the e-learning recording will be emailed to you. You can ask questions at any point during the presentation by putting them in the questions box. I will collate those questions and ask them at the end of the presentation.

CCH Learning also offers a subscription service, which many people have termed Netflix for professionals. It provides members with access to our entire library of recordings, as well as live webinars for a competitive flat fee. That's for over 500 hours of content. For CPD purposes, your viewing is logged automatically. Your presenter today is Deborah Assheton, who is the owner and director of the Amplify Group, a business that uses best practice frameworks to deliver very practical, high-impact leadership change, and interpersonal skill building workshops, coaching, and leadership programs. Deb's passion is to help professionals deepen their self-awareness and embed behaviour that creates new levels of performance, engagement, and results for them. Deb offers executive coaching, leadership development program, short, and public workshops. Deb has over 20 years experience in executive leadership positions, where she has managed very large teams of more than 3000 people for some of Australia's best known and highly regarded companies, including Vodafone, Bupa, and OPSM. Deb holds a BA in psychology and a Master's of Organizational Coaching from Sydney University. Deb's clients span the retail and wholesale property management, banking, legal, technology, transport and motoring, and telecommunications industries. I will now pass you over to Deb to commence today's presentation.

Deb Assheton:

Thank you very much, Susannah. Welcome, everyone. I'm really excited to be working with you today. Susannah, I'm just going to confirm that you can see my screen.

CCH Learning:

Yes, we can.

Deb Assheton:

Brilliant. Okay. So, yeah, I'm very excited to be working with you today, and our topic is responding to leadership challenges. And what we're going to be looking at today is a couple of different aspects around the leadership challenges that we face globally and also here in Australia. And it's fair to say that there's been, over the last 10 to 15 years, a paradigm shift in what's required from leaders. Some of the fundamentals are still there. However, the world that we are living and leading in looks very, very different than it did, say, 20 or even 10 years ago. And there've been some fundamental shifts that have changed the nature of challenges that we face, and therefore the way that we need to respond. And what I want to do is take you through some of those today, which

hopefully helps to spark your thinking about how you're leading, and the types of challenges you face in your team and your organization, and what some of the tools and tactics are for responding.

So we're going to cover quite a lot of ground. So, we'll talk about what's happening around the world and how that is changing the nature of the challenges that leaders face at a very local level, as well as at an international level. And we'll look at some tools and some best practice thinking that can help us maintain our leadership perspective. In the thick of it, at 10 o'clock on a Thursday morning, when your world is burning down, we'll look at the construct that's called adaptive leadership, which is probably regarded as the best practice thinking around leadership styles at the moment. And then we'll look at how to overcome our tendencies, for those of us that have them, for control and perfectionism, because they are limiters to performance. And then we'll look at some ways to navigate adversity and destruction. And of course, we'll have time for Q&A at the end. And we've got a couple of polls as we go, so I'm really looking forward to your input here.

So what's happening around the world? Well, we have entered a global environment that is known for short as VUCA. And VUCA stands for volatile, uncertain, complex, and ambiguous. Now, this term's been around for just over 20 years, and it's made its way into the corporate sphere just in the last decade. And when we talk about the acronym VUCA, what we're talking about is increased levels of volatility around the world. So that is political volatility as well as economic and financial volatility, and then we've also got geographic volatility now as well. The other thing that is making our corporate environment and our living environments more volatile is the speeding up and the increased volatility of change. So let me talk a little bit about that. So, what we are seeing is greater rates of change, as you all know and feel, but we're also seeing greater rates of what are called change catalysts.

Now, a change catalyst is one thing that goes on to change a whole range of other things. So a very good, very recent example of a change catalyst is COVID. It was a virus that went on to change, and is still changing, almost every aspect of our lives over the last couple of years. So a change catalyst has very strong ripple effects. So, some other change catalysts that's not so dramatic were things like the introduction of the iPad. That swipe tablet technology went on to change, frankly, the way that we learn. So we are seeing more change catalysts in the last 50 years than any other period in recorded history, so there's a lot of volatility. We're also living with high degrees of uncertainty. Now, uncertainty is measured by a number of economic and global forums. The World Health Organization and World Economic Forum all measure uncertainty, and it is slowly been increasing. During 2020, 2021, 2022, it was at its highest in recorded history with COVID. And it has actually come back down quite a lot, but the levels of uncertainty that we live with are high, are very high.

Complexity is referring to the sheer interconnectedness of things. The interdependence and interconnectedness is greater than we've seen previously, particularly in a corporate environment and in government environments. And what it means is that it's hard to understand the cause and effect chain, because there's just so many moving pieces. And then ambiguity is this kind of haziness that people have started to report feeling around the world, and the haziness of reality is the prospect for surprise. The not being quite sure about exactly what's going on at any one period of time in the world. That ambiguity is we feel like things are ambiguous. So we're living and leading in this environment. We're trying to run businesses, we're trying to raise families, and it's hard. There's been a lot of change.

Now, it's not all bad. VUCA offers as many opportunities and advantages as it does difficulties and challenges. But for leaders it means we need to think differently. And the volatility, uncertainty, complexity, and ambiguity are very likely to be in our world for the foreseeable future. I mean, no one has a crystal ball here, but none of these are really slowing down. So as leaders, we need to be able to think in terms of these things. Now, what VUCA is doing is changing the nature of the challenges we face. It's changing the nature of mistakes that leaders make, and it's elevating the importance of diversity and inclusion. And I'll talk about all three of those as we go through today. Let's have a look at the challenges. So historically, leaders have faced what were called technical

challenges or classic challenges. And so what a technical challenge is it's a problem that's relatively easy to identify.

It can be solved through the knowledge of experts. The link between problem, solution, and implementation or fix are clear. And the resolution is identifiable, "Have we fixed it or haven't we?" So the technical or classic challenge is what many leaders spent most of their leadership careers resolving, historically. But as we're entering environments where there's more, for example, interconnectedness, there's more uncertainty, then what we're seeing is a shift in the challenges we face to what are called adaptive challenges. Now, this is the work of Ronald Heifetz and Marty Linsky from Harvard University. And we're going to be using quite a few of their models today, looking at the role of leaders in the VUCA environment, which they argue, and they're probably the global experts in this field, means that leaders need to think differently and behave differently.

So what's an adaptive challenge? Well, it's very different to a technical challenge. An adaptive challenge is one where the problem is hard to define. There's often no one clear solution. It's easy to resist or ignore, so it may be a problem that brews slowly, that evolves slowly. And so it's easy for people to stick their head in the sand, to resist addressing the problem, to ignoring it, to thinking it'll go away. And typically, an adaptive challenge generates disequilibrium and avoidance, so it makes us feel uncomfortable. It has a longer timeframe than a technical challenge, and there's no one fix. So the only way to find a way through, to solve an adaptive challenge, is through a process of experimentation. And for leaders, it means that they need to keep their team or themselves, and their people generally, focused on sustaining a way through rather than just saying, "Here's what we're doing, here's how the fix looks. Go away and do it. Is it done?"

And Ronald Heifetz in one of his TED Talks, which are all available on YouTube, talks about the difference between a technical and adaptive challenge. He uses the example of, "If I have to take my son to hospital because he's broken his arm, that's a technical challenge. Arm is broken, it gets X-rayed, we put it in a cast. Six weeks later, there's three weeks of physio, arm is back to normal. It should be fine for the rest of his life. Problem solved." An adaptive challenge is where we get to hospital and we realize that there's actually a long-term injury with his arm, that may or may not include a break, and he may not regain the use of that arm or he might. And so there's a longer-term challenge where we have to figure out, "Is it physio? Is it surgery? Is it a combination of both? Do we need to make changes to our house? Does he need to learn to write with the other hand?" So what he talks about there is the adaptive challenge shows up differently at different points in time, and we have to respond to it. And if we treat an adaptive challenge like a technical challenge, then we are prone to fail.

And this is our first poll. We've got a couple of polls today. So Susannah, if you wouldn't mind opening up the poll. I'd love to know what types of challenges you think your workplace is facing. So is it mainly technical? Is it mainly adaptive, or is it a mixture of both? What do you experience here? And some other examples of adaptive challenges, because they're around us all the time, I would say hybrid working is an adaptive challenge now, which was obviously a by-product of COVID, but was actually a longer-term trend that COVID accelerated. So, hybrid working is an adaptive challenge. Other examples, and maybe the big adaptive challenge that we are all facing, is climate change. And within climate change, there are dozens, dozens of adaptive challenges that we need to navigate our way through. Individual ones that add up to the bigger one. So there's a range of adaptive challenges that we are facing globally, that are very, very different to what we have experienced previously. So I'd love to get your thoughts on the poll, and then I'll make a few comments about that. And then we're going to talk about what mistakes are we likely to make in VUCA environments as leaders. How are we going with the poll, Susannah?

CCH Learning:

Okay, I think we're doing pretty well. I'll give you a few more seconds to put your votes in and then I'll close it. All right, I'm going to close that poll, and let's have a little look at what people said. We actually had 100% saying a mixture of both types of challenges.

Deb Assheton:

Okay. Great.

CCH Learning:

So back to you, Deb.

Deb Assheton:

Thanks, Susannah. So yeah, I think it's probably pretty astute of you to see both. And one of the things I'd really encourage you to do post this webinar is to start to notice the difference between them, and to be conscious about asking yourself the question, "Is this an adaptive challenge or problem or is this a technical challenge or problem?" And where it is adaptive, and obviously we're going to talk about this, but where it is adaptive we need to pause and start to think very consciously about how we want to find a way, because an adaptive challenge is not just about ticking a box. So what is VUCA throwing up or presenting for leaders? Well, again, the Harvard team have done some research on this. Actually, quite extensive research on this. And they found that there's three, they call them pitfalls or mistakes, that leaders are falling into.

And there's three, the top three. So the first is that leaders are misreading the environment, and how that looks is there's ineffective leadership intervention. So this is where we hear leaders say, "Oh, we just don't seem to be able to execute properly. We just can't seem to land what we need to do." Or, "We continually make missteps," or, "We thought it was going to be this, and it's actually all the way over here." So there's this misreading the environment. That's the number one error. Number two is an inflexible leadership style. So this is where leaders are presumably unconsciously leading for comfort, not performance. So that is leading for their own comfort. So in other words, the leader's style is not flexible enough to respond to an adaptive challenge. And many leaders have a style that is geared towards solving technical challenges. Because that might be what they learned on, technical challenges, and they might find themselves in a technical field and have really honed those skills. So an inflexible leadership style is where the leadership style is too rigid or too narrow, versus the challenge that the leader is facing.

And number three is failure to adapt to new challenges. So this is an inability to make or sustain change. Now, historically, we've never been good at this. Corporates, medium to large firms have a terrible history of managing change effectively. In Australia, still over 60% of change efforts fail and it's been that way for a long time. So in a VUCA environment, there's an even greater risk of failure, because you're now in an environment that's not stagnant before or after the change. And of course, you're dealing with volatility throughout that period. So this is a real skillset that many leaders will need to address outside of VUCA, but more especially in VUCA. So what we're going to do is have a look at a couple of these today, and we're going to look at tools that can support you to read the environment, manage your style, and think about sustaining change more effectively. And we're really going to focus on the first two, but I'll talk about change agility as part of that discussion.

Okay, so let's have a look at the first model, which is called The Balcony and the Dance Floor, and this is a model that helps us maintain a leadership perspective. Again, this is the work of Ronald Heifetz. There's a number of books on adaptive leadership, of which this model is an anchor because it's really effective. It's not a new model and it's not my model, but it's very, very effective. So let me explain it to you. So it's called The Balcony and the Dance Floor. And Heifetz asks us to imagine that your workplace, your entire workplace and everything in it and all that you do, is taking place within a ballroom. And the action of your work, the day-to-day work is taking place on the dance floor. So this is where people are doing their work. They're collaborating, they're solving problems, they're dealing with clients, they're thinking about issues, they're writing papers. This is where the actual action is.

And he says, "If you can imagine that there's people dancing on the dance floor, some of them are dancing together, others are dancing on their own. There's music playing. There's food being served. This is representative of the day-to-day of your business or your team. The busyness. And then in a ballroom, we have the balcony. And the balcony is where we can get up above the dance and we can see the dance in its totality as it unfolds. So we can see who's dancing together and who's off dancing in the corner. We can see whether the music is in time with the dances. We can see whether the food's being served or not. We can see who's not on the dance floor, and we can see systemic patterns. So the dance floor is where the action is, and the balcony is where we can sit back and take in a broader perspective and see the context that the dance is occurring in."

And what Heifetz argues and what his research shows is that leaders that are able to balance a perspective that holds the truth of the dance floor with also the truth of the balcony, are those who are less likely to misread the environment. So understanding the environment from both views helps us to see it more accurately. And so it's not a matter of saying, "Oh. Well, in my role, I must spend 42% of my time on the balcony and 58% on the dance floor." It's not like that. It's not rigid. It's a leader's capacity to understand both and to spend the appropriate amount of time on both, and to be able to reflect in a given moment on either. And this is actually a really important part of understanding the environment and also our role within it. So, "Is my staff flexible? Am I reflecting enough? Am I leading in a way that supports both the dance and the floor and the balcony?"

So there's a couple of shifts that Ronald Heifetz and Marty Linsky talk about that leaders need to make in VUCA environments. I'm not going to go through them all today, but I just want to point out a few. So what they argue is that the basic responsibilities of leaders haven't changed. Your role as a leader is to direct your team. It's to protect your team and the organization from threats. It's to orient people effectively so that you can mobilize resources and get the right stuff done at the right time, in the right way. It is, of course, to manage conflict which has always been there in the workplace, and it's to shape norms. It's to shape culture and how we work together, and what defines us. So none of those things are different, but what they talk about is that the role of leaders within this has shifted dramatically in a VUCA environment.

So instead of just defining problems and providing solutions, AKA technical challenges, actually identifying the challenge and framing the key questions and issues, versus shielding the organization from external threats or competitors to actually now letting the organization feel the heat within a range it can stand. And what they talk about there, and I'm going to talk about this more in a moment, is that your best team want to be involved in solving your adaptive challenges and your technical ones. Your really good people want that kind of healthy pressure. They want to be held at their edge, right up here at their edge. And that by sharing the adaptive challenge, we start to get more people thinking about it. And this is the reference to diversity and inclusion. So one of the issues that we have with an adaptive challenge is that no one person has the answer.

There is no one person on the planet who had the answer to COVID. There is no one person on the planet who has the answer to hybrid working or to climate change. Actually, it requires a group of people thinking together to solve and find a way to navigate an adaptive challenge. And so when we talk about protecting, it's no longer just your job to protect from external competitors. Actually, when we talk about protection in a VUCA environment,

it's involving the team and saying, "How do we do this so that the organization can thrive? How do we navigate hybrid working together for the benefit of the organization, for the benefit of the team?" Orientation is about clarifying and challenging rather than just doing things the way we've always done them. And that the orientation is towards stasis. Actually, the orientation now is towards agility. "So let's keep moving, let's keep refining, let's keep honing, let's say agile," rather than, "This is the way we do it. This is your really fixed job description," and that kind of orientation towards stasis.

Managing conflict. Again, a topic for another webinar, but there's a shift in the role of conflict in helping you solve adaptive challenges. So historically, the move has been to reduce the amount of conflict in the workplace, whereas now there is a very strong argument to say, "We want to expose constructive conflict. We want to fan up debate and thinking about our ideas, about our options, about our opportunities as well as our challenges, and get people thinking and debating those openly." So we get that diversity of thought. We understand the adaptive challenge or the adaptive opportunity that we're facing more fully, so this can really help us. And shaping norms. So again, historically leaders have been oriented towards stasis and stability. Now it's about, "What do we need to do to keep growing? What do we need to do to keep changing? What do we need to do to keep evolving?"

And The Balcony and the Dance Floor model can help you understand whether you should be considering these leadership responsibilities from the balcony or the dance floor, and how they look different from each. So let me ask you a couple of quick questions. And obviously these are in your handout, but it's a good opportunity just to reflect on it now. So how much time do you spend on the balcony considering strategic things? So are you somebody that finds yourself on the dance floor all the time, or do you make time for yourself to just sit back and reflect on the totality of the dance floor? Now that doesn't mean that you're on the side of a hill in the sunshine in Greece for three days. It just means that you have some time and space to reflect from the balcony on your role regularly enough.

Number two, in meetings, do you typically present a dance floor or a balcony perspective about the topic being discussed? So do you come in with the detail of what happened yesterday or do you come in with a more systemic view, and can you do both? Do you typically notice balcony problems or issues or dance floor problems or issues? So do you see the problem when you're on the floor or on the balcony? And again, this is just really around reflecting. You want to be able to see both, of course. Do you typically notice balcony opportunities or dance floor opportunities? Do you typically have balcony or dance floor insights? So when you're in the shower or when you're out walking, or doing whatever you do on the weekend and you have an insight about work, is it typically at the balcony or the dance floor level?

What we want to try and do is to understand where the level of that insight is and then think about, "Well, what does that mean for the other view? What does that mean for the dance floor? What does that mean for the balcony?" When you give people feedback, do you tend to give them more systemic, holistic feedback or is it feedback about what happened yesterday morning at 10:00 AM? Both are good. Both are really good and really important, but again, you want to be able to do both in order to be able to see the full picture. And can you think of a time where you've successfully combined both perspectives while on the dance floor and on the balcony? And this is really what Heifetz talks about as being our ideal state. That we can be on the balcony and we can articulate the dance floor, and we can be on the dance floor and articulate the balcony, and this is what helps us maintain perspective.

And we have to make sure that we've got the right amount of time and energy invested into both for our role. It's different for different people in different roles, but you will know the answer to what's actually right for your role versus what you're doing right now. Hopefully you've got the balance right, but most leaders don't at the moment. I think that's probably fair to say. So, what does Heifetz talk about as the why here? Why is it important to have both? Well, the balcony gives us a broad view, a greater timeframe. It's more objective, more systemic, and we can see the dynamics. And it increases our capacity to respond and initiate. Really important. The dance

floor is the acting and doing. It's the busyness. It's the narrow view. It's the task focus. It's the hurdles, the challenges, the problem. And that gives us the capacity to react, which we obviously have to be able to do.

Where we just do one and not the other. We have huge risks not just to our leadership capacity, but to our performance. So if we stay on the balcony too long, our contribution becomes irrelevant. We become one of those talking people who... You often see that ivory tower kind of executive just talking, and there's no relevance to what is said and people just tune off. That's an example of too much balcony. Too much dance floor is the highly reactive leader who's not thinking ahead, who's not strategic. Who's just become like a workhorse responding to problems, and there's often a pattern of repeated mistakes. So we don't want that either. So the why is that you're a better leader and you're less likely to misread the environment and your role in it if we've got the balance of both.

And of course, when we work across the organization, I'll just put all this up, actually, there are different balconies and dance floors through the different layers of an organization. And the true dance floor is the client dance floor. And so for leaders, as they become more senior in medium and large organizations, it's really important to stay connected to the true dance floor, which is the client dance floor. All the dance floors and balconies in between are in support of that or should be in support of that. They often get caught up in politics and personalities and structure, where in actual fact the real dance floor is the client dance floor. So that model really helps us understand how to... It's very useful for keeping perspective. I want to talk now about the adaptive leadership style. And again, this is an introduction to it. There's quite a lot to this, and you can do a lot more reading on it as well.

But what the research finds here is that we've had histories of different types of leadership styles. And for those of you that have been around for a while, you might remember in the 1980s and 1990s charismatic leadership and there was transformational leader. And there's been a lot of terms, but actually there's been two styles that leaders tend to fall into when we just drop out of those terms. One has been this command-and-control style which has its history in the military, and in the western world anyway, where the leader is the decision-maker, the team are subordinates. There's very strong hierarchy and politics. There's very centralized power and knowledge, so the leader has all the power and all the knowledge. Standards are set and maintained by leaders. It can be very a perfectionistic and controlling style of management with very low authority basis for anyone in the team.

There's a low or no diversity of thought, and low feedback in these environments. So this is not an environment of debate or feedback, or even challenge. It's a rules-based culture. So you have to follow the rules, and it's an approval-based culture. So basically, if you have the favour of the leader, you are considered a good performer. So this is very much the history that many, many large organizations, global organizations have come from, and many still have. It's not very effective in a VUCA environment. I'm going to keep moving and then I'll come back to why. The other style is at the other end of the spectrum, which is called a protectionist style. So this is where the leader is the organizer and the heart of the team. The leader absorbs all the politics and the stress, and shields the team. So you hear the leader saying, "I shield my team from all the stress from above me," or the client stress, or whatever it might be. So there's limited knowledge in the team and the focus in the team is harmony, so it's a culture of being happy.

The focus is on making things clear. And again, there's an orientation toward delivery only. There's no or low diversity of thought. It's a low-feedback environment. The leader maintains the norms, and the leader is the problem-solver. So it's quite different than command and control. But you might notice that actually at a principle level, both of these styles are about the leader. All the power sits with the leader, so both of these styles tend to lose good people. Command and control tends to lose good people because they get micromanaged, they don't have any power, they're not allowed to speak and think. So that's not a very healthy style for your best performers. And protectionists tends to lose those people too because they don't get to learn. There's not enough challenge in the environment.

So what Heifetz and team promote as being the most successful form of leadership at the moment in a VUCA environment is what they call adaptive leadership. And it's not strictly between both of these, but it has some elements of both, but there's different characteristics in it. So number one is that the style is elastic, not just flexible. Now, it may sound like it's a play on words, but flexible means that you start out with an anchor shape and you flex out, and then you bounce back. What Heifetz and Linsky talk about here is, there's a little more elasticity in the adaptive leader. They're not necessarily bouncing back to a very rigid core. The adaptive leader frames challenges effectively and shares them with the team. So they're not the problem-solver. They're not the point of all knowledge and power. In fact, they say, "We have a challenge with hybrid working," or, "We have a challenge with," any of your adaptive challenges, you've obviously all got them, "What are your thoughts on how we get through this?"

So they frame it and share it, and then they expose conflict and manage it constructively. So there might be an enormous debate in your organization about hybrid working, for example. Rather than shutting that debate down, adaptive leaders hear those views and use them to make an informed decision. And so instead of being the person who says, "No, this is the way we're going to do it," they're the person who says, "Tell me more about that. Why is it different? Why is your view different from Susannah's?" So they're managing the conflict constructively in order to fan up debate so that we can find a way, because there is no one person who already knows the answers. They're challenging thinking and behaviour. Embracing both process and outcome, which is so important now. We need to manage both really effectively.

I used to deal with lots of leaders who say, "No, I don't really worry too much about process. I'm very outcome-focused," and vice versa. We've got to be able to work on both. Clarifies vision and direction, so that directive capacity is still there. People need to know where their north star is, where the compass is headed. They engage the team in solving problems. They create a psychologically safe culture. So this is a culture where it's okay to speak up, to share concerns, to say, "Look, I have this view, versus Susannah who has that view." This is a high-feedback environment, where feedback is used as a fuel to help us get better at what we're doing rather than something that's just done as part of the performance review. And its values-based decision-making. So adaptive leaders are making decisions based on values that take into account the environment that you are living, leading, working in. And that's so important to keep your good people, because if there's a values misalignment, then your great people are not going to stay.

And of course, the values that are important are changing. So for example, three years ago, pre-COVID, workplace wellbeing was quite a way down the list of important factors for engagement. It's now in the top five factors for engagement and culture. So, what we value is shifting. Not necessarily whether we value it or not, but it's order of importance in the workplace is moving, and moving quickly. And if we're not talking about wellbeing in the workplace now, if that's not part of the consideration that we have when we're making a decision, then we're potentially misreading the environment because it's important to many employees, and workplace wellbeing looks very different than it did five years ago. So the adaptive leadership style is these kind of 10 key skills that are considered to be the skills that help us navigate VUCA and navigate adaptive challenges.

I'm not saying that command and control or protectionist never work. There is absolutely a time to shield your team from unnecessary stress. I know that you know that. And there's absolutely a time where you just make a decision and say, "That's the way it is, and let's just get on with it." But that's not how we want to operate all the time. They should be the exception rather than the style or the rule. So I'd love to know, again, on a poll, which style most reflects how you generally lead. Now, I know I'm asking you a big question here and it's very general, but there's a few options there. So command and control, protectionist, adaptive, or "I exhibit both command and control, and protectionist," or, "I am a melting pot of all three styles." And of course, you will have strengths in all three styles. The one I'd be really encouraging you to think about is adaptive leadership and what strengths do you need to cultivate there, because they're the skillsets that I'm finding in the work that I do with clients that help leaders cut through.



They're not necessarily easy, but they are effective. So after you've done that poll, we're going to move on and talk about a couple of barriers to performance. And it's interesting, the barriers to performance used to be money and resources and technology, and very, very little of the time now are they the actual barriers. So, most organizations are able to invest. They have the technologies that they need, or close to them. And resourcing, well, staffing is tight, I agree, but actually the biggest barriers that we have now are internal. So if you notice those three mistakes that I've put up before, about misreading the environment, that style that's not flexible, and an inability to respond to change, they are all internally controlled. It's not money. It's not resources. It's not education. It's not knowledge. It's not product. So I want to have a look now at the tendency for perfectionism and control, because if you've got even moderate tendencies here, they're potentially holding you back. So Susannah, are you able to share the poll results?

CCH Learning:

Certainly. Well, what I'll do is we'll just close the vote the poll, because it looks like people have voted, and we'll just have a look at what we've got. So 44% said that they were a melting pot, 22% said they're adaptive, and then we have 11% each for command and control, protectionist, and that they exhibit both command and control and protectionist.

Deb Assheton:

Okay.

CCH Learning:

Back to you, Deb.

Deb Assheton:

Thanks very much, Susannah. Okay. So a bit of a mix, which is fine and normal and great. So let's have a look at the tendency for perfectionism and control, and we'll just have a look at why these are barriers to performance. So the tendency for perfectionism is striving for flawlessness, setting excessively high standards, accompanied by overly critical self-evaluations and concerns regarding others' evaluations. Now, you might look at that and say, "Actually, that's not me," which is great for you if it's not, but I'd love you to think about who it is that you work with that has these tendencies. Because the tendency for perfectionism is quite high in organizational cultures. So the chances are if you're not a perfectionist, there'll be many people you work with who are. So that's a good way to understand this tendency, from that perspective.

So you might have a tendency for perfectionism if you're motivated by fear of failure, if there's no room for error, or you're always the first one to point out flaws. You have a very specific manner in which things need to be done or should be done. You have an all-or-nothing approach. You'd prefer to do it yourself rather than trust someone else. You're really hard on yourself. You struggle to celebrate milestones, and success never feels successful. Or you find yourself constantly waiting in a state of readiness, waiting for the perfect time, waiting for the right moment. So I don't know whether this is you or not. Hopefully, a few of you are smiling and saying, "Yep, Deb, I'm ticking quite a few of those boxes," or you know someone who does. Why is this a performance risk? Well, what's happening is perfectionists are managing their fears in advance.

So when we're motivated by a fear of failure, what we're saying is, "If I do this, then I won't fail." And that's actually not a great motivation. And it means that because we're afraid of failing, everything we do is trying to cut that off. So the fear of failure becomes the driver of our actions. And the underlying story is that if something is not perfect, it will fail. And if it is perfect, it won't fail. And of course, that's got nothing to do with business

performance. Perfectionists have unrealistically high expectations of themselves and others, although they rarely see it that way. So, often, they frame it as adaptive, high, necessary, "It must be done at this level." There's often a justification. And the expectations of perfectionists are not related to what the business needs, so they're not related to the performance outcomes that are required for success.

So, often, a perfectionist will spend hours on that final 10% of something that the client doesn't notice the difference anyway, but the perfectionist does. Now, I'm not saying that what the perfectionist does is wrong, I'm just saying that doesn't contribute necessarily to business needs. So the perfectionist expectations and what the business needs can be really quite disconnected. The problem for perfectionists is that the impact of the perfectionism for them and for the people around them can be quite devastating. So, perfectionists are more likely to sacrifice sleep and wellbeing. They're more likely to suffer from distress and burnout, and they're also more likely to burn good people because of that excessively high expectations. They're in the top 10 least liked style of leader. And when this perfectionistic streak is very strong, it's considered a dysfunction. Often, they come across as procrastinating, but they're actually not. They're just waiting for the perfect conditions.

And they take longer to recover and rebound from burnouts, disappointments, mistakes, and errors. It's actually not all that healthy to have a very strong perfectionistic streak. It doesn't come as all bad, though. So I'm going to talk here about what we need to do. So I'm just going to put this up and then I'll talk through it. So perfectionism, it does create some really good outcomes along the way. So when we think about perfectionists, what we normally associate with them is really high-quality work, fantastic attention to detail, faultlessness. So, very few mistakes. And if there are mistakes, they're tiny. High levels of dependency, so we can rely on a perfectionist to get the job done. So when we work with someone who's a perfectionist, the output and the quality of that output, and the reliability of that output, are usually very high.

It's the perfectionistic streak that is the problem. So ideally, for a perfectionist, what we want to be able to do is keep the standards and keep the high-quality work, and keep the rigor and the attention to detail, without the anxiety of the perfectionism. So perfectionism, having said all that, is notoriously difficult to change. And the starting point for it for a perfectionist is to embrace perfectionism as a limitation, not a superpower. So often perfectionists will say, "Well, that's what really got me to where I am today." And that might be true, but there's a huge cost. And I'd argue that you can get those benefits without that cost. So what we want to do is take responsibility for gradually releasing the grip that this tendency has, and focus on the standard needed to get the job done, not what is ideal or perfect or optimal. So we've got to do a reset of our standards.

And I do a lot of coaching of perfectionists and recovering perfectionists. And I'll often say, "What's wrong with setting the standard as good enough?" And I can see the perfectionist, they glaze over, the blood runs out of their face, they start saying, "What do you mean, good enough?" It's like it's dirty words. But actually, good enough. Good enough for the client, good enough for the person receiving it. Good enough. So we've got to challenge our thinking about what is good enough, and deliver high-quality work without all of that edgy fear and anxiousness that sits around it for a perfectionist. It's great to have a buddy who can challenge you, and we want to make it safe for people to call it out when they see it in you. So if you know you've got this tendency, you can say to your team, "Look, I know I have a tendency for perfectionism. And whilst it creates lots of good things, I also know it's very limiting. So if you see me in that perfectionistic space, could you please call it out?"

And create an environment of more feedback as per the adaptive leadership style. So, that's what we suggest for perfectionism. I want to move on now and talk about control. A high need for control is, again, you've probably worked with someone like this or maybe you have it yourself. So people with a high need for control are very uncomfortable with unpredictability. And so there's this vigilance where we've got a high need for control, where we're trying to cover all the bases in advance. And it can lead to a lot of problems in the workplace. So, you might have a high need for control if you get stressed in situations of ambiguity, you're uncomfortable with change, you tend to catastrophize challenging situations. Your first response to feedback is disagreement if it challenges you.

You always have to have the last word in an argument, or you're accused of having the last word, which is about regaining control.

You hate being wrong, and rarely admit that you're wrong. And when you are wrong, right and wrong is up for debate. Or you're the one making the plans and herding the cats. So in the moment of facing unpredictability, you're the one who immediately creates this maps of, "Here's what we need to do," and you're right out here, and right out here, and right out here, trying to solve every problem, at the macro all the way through to the micro. So that kind of holistic reaction to unpredictability is a signal that you're really uncomfortable with a lack of control, and that can lead to a lot of scope creep. So people that have a high need for control often creep into the scope of others' work, which I'll come back to. So, obviously, this is a problem. It's a performance risk. Control's largely an illusion and we cannot, and probably don't want to, eradicate all uncertainty.

It's unrelated to business performance, again. So, limiting performance rather than enhancing it. Trying to control people and events, it's a fundamental paradigm error. What we want to do is prepare people for events and for the challenges, not try and control them ourselves. And it brings a lot of fear and anxiety into the workplace, and it can leave a team feeling paralysed if they've got a leader who's got a very high need for control. It's not great for us at all. The research shows that leaders who are high in the need for control are less likely to innovate and more likely to micromanage. And it's a very poorly-regarded style of leadership. Again, it's in the top 10, and it's dysfunctional when it's very high. And as I mentioned earlier, being involved in everything leads to scope creep and it means that you can be distracted from the core, because you're so busy trying to control everything else that's going on.

So what we want to do here is manage it very effectively, because it's very detrimental to performance, engagement, retention, and culture. Now, again, it's not all bad, right? I'll just put this up. People who have a high need for control, when it's managed well, are often really great performers. They're organized, they're focused, they can be relied on. There's attention to detail, they get stuff done, and they've got an organized thinking that is really calming for everybody because they've got somebody who's able to think it through and articulated it and put it into a plan. So, again, really healthy. But when it's at that extreme level, it damages your ability to read the environment. It damages your ability to lead adaptively, because you can't control volatility, uncertainty, complexity, and ambiguity. It's not possible. So, again, we have to own it and manage ourselves and take responsibility, and we have to challenge the illusion of control.

Is it control you really need or is it a plan that gives you confidence? It's a plan that gives you confidence. That's the correct answer. When we have a plan that gives us confidence, the anxiety goes down. And that's the space to focus on rather than, "I have to control everything." So what you can do, rather than telling people what to do or going in and planning their lives out for them, is ask them questions that give you confidence that they know what they're doing. And if you don't get the right answers, then you can start to coach and make suggestions. But initially, you want the confidence. And again, I'd recommend that you call out when... If you know this tendency is a problem for you, make it safe for your team to give you feedback, "Deb, we've got this. You don't need to overdo it here." And again, that creates a more adaptive environment for everyone.

All right, I just want to talk about the last piece before we finish up. What's very interesting research that was done by Angela Duckworth for her 2016 book called *Grit*, which is a great read if anyone's interested, she wanted to understand the role of adversity and distractions in derailing goal achievement. And so what she did was did some research on this, and she found that more than 80% of what derailed people was actually distractions, not adversity. It was impulsivity and reactivity. It was poor clarity, and this is very much aligned with the leadership style that's not adapted to VUCA. We get caught up in distractions, when in actual fact the true adversities, obstacles, setbacks, and long plateaus of no obvious progress are where we should be focusing. So when we're responding to leadership challenges, there are so many distractions in the world right now. So many. And it's hard to see the forest for the trees here sometimes.

And so I'd really encourage you to, as part of being on the balcony, is thinking through, "What I'm looking at, is this genuine adversity for the business or the organization, or is this a distraction that's created by something else?" And respond accordingly. And I've got a set of tips. I'm just going to put them all up. I think they are. Yeah, one by one, but I'll put them all up. So I've been asking this question for over eight years now, about, "How do you respond to VUCA?" And I've done it with hundreds, maybe thousands of people, and what I hear from people is these kinds of tips. And this is from senior leaders all over the world. So the way that we respond to VUCA is not get out a textbook or do another course. The way that we respond to volatility, to adaptive challenges, to uncertainty and complexity, to a challenge that looks adaptive but is emerging and we're not quite sure what to do, is not to get out a textbook or design a checklist.

It's actually to take a step back and engage the people around us. So what we want to do is start to make the VUCA aspects clear and talk about them. We want to reframe the challenge or the problem and get people involved. We want to allow time for contemplation and reflection. So we want to say to our team things like, "Look, we want to have a chat about hybrid working next week. And ahead of that, could you think about these questions or these challenges so that we've got time for contemplation and reflection?" We want to share the problem. We want to share the fix rather than doing it yourself. Sometimes, people say to me, "I just have a break and I go for a walk around the block. And give it some space, and the answer arrives." Taking responsibility for what you can control, brainstorming options, clearing your head.

There's a process called asking 10 different questions. So this is where, instead of asking one or two questions about how to tackle a problem, you force yourself to ask 10. Now, the first four or five questions come really quickly. But 6, 7, 8, 9, 10, those questions are harder, but there's often some gold in the question itself. Scope what's possible, quickly roadmap, identify advantages, ask someone to challenge your thinking. And if you're really stuck, "Give it to somebody as a development opportunity," has been said to me many, many times. So what we're doing in a VUCA world and what we're doing in response to adaptive challenges, is you're not leading the solution anymore. You are leading a process, or the process, of finding a way. And if you're a leader and you've got a team who can find a way, then it doesn't matter what industry you're in or what your team does, you are well set up for success. And so when we talk about responding to leadership challenges, one of the most effective ways to respond is to cultivate a leadership mindset and a team that is focused on finding a way through VUCA. And that's it for me today. So, I hope you found the webinar really valuable. I've got time for questions. I'm happy to hand back to you, Susannah, and we can take it from there. Thanks, everyone. Thanks for staying with me.

CCH Learning:

Thank you very much for that, Deb. That was very interesting. Lots of information about how to respond to leadership challenges. So, yes, we will be taking questions, so please type them into the questions pane. To give you some time to type those up, I will mention our upcoming webinars. So this afternoon, we're looking at new reporting requirements, and next week we'll be looking at putting the cap on contributions and benefits. We've also got our tax technical update coming up for April. Unfortunately, we have had to cancel our anti-avoidance rules webinar that is coming up, and we do apologize for that. We also are looking at tips and traps of drafting a financial agreement, and we will be looking at the single-touch payroll phase two, a deep dive. If you are interested in any of those, please head to our website and check them out. So, let's have a little look at some of our questions. So I have a question here from Sarah. Sarah is asking, "The perfectionism content that you talked about, that really resonated with me. Should I talk to people about my tendency for perfectionism?"

Deb Assheton:

Thanks, Sarah. I'm glad it resonated for you. Yes, I think you should. It's nothing to hide. It's an overused strength. And I think if you want to work on it, then yeah, absolutely. You should talk to your team, or to your peers or your manager, and say, "Look, I've recognized that I've got a tendency for it, and I'd appreciate any feedback that you can give me that helps me just manage that tendency. Because I want to keep the high standards, I want to keep the attention to detail, I want to keep the energy around a really high-quality standard of work, without the anxiety and fear." So, yes, my answer is yes.

CCH Learning:

Thank you for that. I really do hope that helps you there, Sarah. Then I also have a question from Michael. Michael's asking, "What do I say to my team when we're all stuck in distractions?"

Deb Assheton:

Great question. Okay, so I would say that you should call that out. So my advice would be to say, "Look, I've been reflecting on where we are," you included, "me included, and I feel like we are stuck in things that are more distractions than they are real adversity. And what I mean by distractions is," and I'd give some examples of that and then I'd open that up for discussion. And hopefully, what you're able to do, Michael, is lead your team through a discussion about how they get stuck in distractions in the first place and what they want to do differently, going forward. I mean, many teams end up stuck in distractions, and distractions can be history... A whole range of things that are not to do with performance. So I think if you can cultivate a team that's capable of talking about it and you're capable of talking about it, that's really helpful.

CCH Learning:

Thank you very much for that, Deborah. I really do hope that helps you there, Michael. Oops, hold on a second. Just got to plug in my computer. Apologies. Okay. Yes. So that does bring us to the end of our questions for today, but if you do have any questions, please, Deborah's details are there on the slide, so please get in touch. I know you might be a little shy perhaps, asking in this environment. Well, that does bring us to the end of our questions for today. So in terms of next steps, I would like to remind you all to please take a moment to provide your feedback when exiting. We have asked you a couple of questions about today's webinar, so it's really important for us to hear your opinions. It's also a reminder that within 24 to 48 hours, you will be enrolled into the e-learning recording, which can be watched multiple times, and have access to the PowerPoint, transcript, and any other supporting documentation. And of course, your CPD certificate. I would very much like to thank Deb for the session today, and to you, the audience, for joining us. We do hope to see you back online for another CCH Learning webinar very soon. Enjoy the rest of your day. Thank you very much.

Deb Assheton:

Thanks, everyone.