



NOTES ON LEADERSHIP

based on the philosophy of
Fernando Flores

Carlos Fernando Flores Labra (born January 9, 1943) is a Chilean engineer, entrepreneur and politician. He is a former cabinet minister of president Salvador Allende and was senator for the Arica and Parinacota and Tarapacá regions between 2001 and 2009. On March 31, 2010, he was designated President of Chile's National Innovation Council for Competitiveness by President Sebastián Piñera.

Flores was born in Talca, Chile. He became finance minister in the government of Chilean president Salvador Allende and then spent three years as a political prisoner (from September 11, 1973 to 1976) after the military coup of General Augusto Pinochet. Subsequently forced into exile, after negotiations on his behalf by Amnesty International, he moved with his family to Palo Alto, California, and worked as a researcher in the Computer Science department at Stanford University. He subsequently obtained his PhD at UC Berkeley under the guidance of Hubert Dreyfus, Stuart Dreyfus, John Searle and Ann Markussen. There he developed his work on philosophy, coaching and workflow technology, influenced by Martin Heidegger, Humberto Maturana, John Austin and others. His thesis was titled Management and Communication in the Office of the Future.

Notes on Leadership

Introduction

Today we hear from every sector of our society that we are having a crisis of leadership. This cry is heard in newspapers, magazines, TV debates, and dinner tables across the land. In the realm of business, in particular, we seem to have a crucial need for leadership. When we look at our economic performance and compare ourselves with other countries such as Japan and Germany (or even smaller countries), we often must conclude that we are doing poorly, that we have been losing ground and that our competitors have been doing better. When we turn our attention inward and compare our performance now with how we have done in the past, we normally assess that we are now doing worse. Leadership in business has become a particularly important breakdown in the United States today. Many of the corporate flagships of our economy are floundering and there appears to be little relief ahead.

We all recognize that organizations need leaders, people who create a vision of what is possible, enroll others in supporting that vision, and devise strategies for putting in place the structures and resources required for successful implementation. In the past few years, ever increasing pressure on business organizations to raise their level of competitiveness has resulted in a tremendous interest in leadership. Hundreds of books and articles on the topic have been written, and leadership training courses continue to proliferate. All this attests to two of the central breakdowns in business today: First is the need for leadership as an extended, highly available competence existing at all organizational levels, a resource that can be developed, expanded and modified as the situation demands. Second is the need for a unifying interpretation that allows for the development of leadership as a competence.

In these notes we propose to take a fresh look at leadership. Our aim here is to show that leadership can be dealt with as an area of design and learning. Specifically, we want to address the issue of how leadership is generated: how it is produced and what competencies are needed to produce it. First, however, it is necessary to explore the distinction of leadership itself and to examine our common-sense understanding of it.

What Leadership is Not

There are at least two different common historical understandings of leadership and it is important to examine them both. First, there is the idea that leadership is the capacity to give orders. Many people imagine a leader with a General in mind. This represents a sort of stereotyped military understanding of leadership connected to the action of command. In this interpretation, leaders seem to be people who get things done. As with many common-sense distinctions, this image is partly valid. Leaders actually modify how people act. However, when we restrict our understanding of leadership to pure order-giving, we produce a narrow understanding of the phenomenon. Leaders not only get things done; they are also the inventors of what can be done.

Second, there is the seemingly opposite view that leadership is an extraordinary capacity arising from an individual's being endowed with certain unusual character traits, such as vision, charisma, foresight, boldness, the ability to inspire others, and so forth. Leadership, in this interpretation, appears as something that either you have or don't have. If you don't have it, there is nothing much you can do. Within this understanding, therefore, leadership cannot be learned or designed.

The Conversation for Leadership

If leadership is to be an area of learning and design, we need to adopt a different approach. A point of departure is to recognize that the central concern of leadership in business is with the future of the organization. It is with the overall strategic direction it will take and the development and growth required for its continued survival, well-being and prosperity that leadership is concerned. Management, by contrast, is focused primarily on coordinating action within the scope of established objectives.

This concern of leadership for the future manifests as asking certain key questions about the organization, including:

- Who are we? What is our vision and mission?
- Where is the world going? How is it changing?
- Who do we want to be in the changed world of 5 -10 years from now?
- What kind of organization do we need to build in order to become who we want to be in the future? What kind of alliances will we need to make?
- What type of management practices will we have to put in place?

We call the accumulation of these questions the conversation for leadership. It is the existence of this conversation that sets the ground for the phenomenon of leadership. Leaders are people who recurrently engage in this conversation, asking themselves these and similar questions, and committing themselves to the answers they give to them. Without asking these questions, without engaging themselves in the conversation for leadership, leaders cannot emerge.

To engage effectively in this conversation, leaders typically take on the following roles and responsibilities:

- Reading the world and creating a vision
- Declaring a mission (game)
- Making alliances
- Building the organization and appointing individuals to positions of authority
- Creating followership
- Managing the top level of the action cycle

We will consider the specific competencies associated with each of these in more detail below. What is important to emphasize at this point is the constitutive role played throughout by language. Becoming a competent leader, as the term “conversation for leadership” is intended to imply, is inextricably bound up with competence in certain types of linguistic acts.

Leadership and Language

Our central claim in this paper is that leadership happens in language. Leaders produce a certain listening of the world, an interpretation of where it is headed, and on the basis of this articulate a vision to inspire and guide their organization’s future. They declare a mission and the team(s) that are going to achieve it. They make assessments of the possibilities they see, and formulate requests, promises and offers to realize them. We will have more to say on this topic later. The general point we want to make here is that by becoming aware of, and through practice coming to embody, the linguistic dimensions of leadership, leaders can greatly enhance their overall level of effectiveness.

Leadership is also a linguistic phenomenon in the sense that, in its essence, it is an assessment. When we say that someone is a leader, we are not describing some inherent set of qualities they possess, nor a position they hold in the organization. Rather, we are making the assessment that they have both the authority and the competence to take certain kinds of action, such as declaring a mission, etc.

There are several advantages to holding the interpretation that leadership is a linguistic competence as opposed to a character trait. Foremost amongst them is that we can become observers of recurrence, which opens up the opportunity for learning, design, and accountability.

Recurrence

By recurrence we mean simply the repetition of certain practices. Viewed from the standpoint of individual characteristics, leadership appears to offer little evidence of such recurrence. Styles of leading vary widely from one person to another. One may be admired for their boldness, another for the acuity of their vision, and still another for their commitment to the well-being of their employees. It is hard to make meaningful comparisons here. The specific mix of qualities an individual draws on and the degree to which they embody them may vary more or less infinitely. In this way of seeing leadership there is little possibility for learning.

However, when we focus on the linguistic aspect of leadership, a set of common moves begins to emerge. There is a finite and small set of actions and underlying competencies associated with the conversation for leadership. These recurrent aspects of leadership remain the same, regardless of the individual style and the organizational level involved. It is precisely this universal recurrence and our capacity to be observers of it that opens up leadership as a domain of design and learning.

Design/Learning

Once we move out of the realm of individual character traits into that of recurring linguistic moves, learning becomes a possibility. When being a leader is associated with charisma, courage, or some other personality trait, we are left with just two possibilities: either the individual in question has it or they don't. By contrast, declaring a mission, making alliances, managing the action cycle, and so forth, are clearly identifiable linguistic competencies which, as we've seen throughout the program, can be developed, practiced and embodied.

Accountability

When the roles and responsibilities recurrently associated with the linguistic dimension of leadership are systematically made explicit, leaders can become fully accountable for what they do and the results they produce. Furthermore, when things go wrong, the toxic moods of blame and resentment that so easily arise can be replaced by those of acceptance and openness to learning.

The Basic Competencies of a Leader

We turn now to a more detailed examination of the various competencies underlying the roles and responsibilities associated with the conversation for leadership.

1. Reading the World and Creating a Vision

No organization is an island. Each one exists within a rich and dynamic set of social, economic, political, cultural and institutional environments that are in a constant state of flux, interacting with one another and changing at varying rates. To a large degree an organization's success depends on how well it positions

itself in the world in which it moves. One of the most important competencies of leadership is therefore the ability to read the world. A leader needs to be well informed as to what is happening, including emerging trends and developments in multiple areas that affect the business. Senior executives in the nuclear power industry, for example, must keep up not just with the latest technological innovations, but also with new federal regulations and guidelines, changing public attitudes towards health and ecology, the cost structure of competing forms of power generation (such as gas turbines), the likely power requirements of developing nations, and so forth.

Grounded in his or her interpretation of the direction in which things appear to be headed, an effective leader creates a vision of the emerging world as basis for the organization's competitive strategy. As Hamel and Prahalad point out in their recently published book *Competing For The Future*, surprisingly few executives devote much time and effort to this exercise, in spite of its obvious importance. A powerful, well grounded vision of the future can open the way for a business organization to achieve long-term competitive domination. Correspondingly, failure to adequately anticipate the future can lead to an organization's rapid demise.

The capacity to create a powerful vision is constituted by several distinct competencies:

*** Observing the world within an effective framework of distinctions**

The world sometimes seems to be simply an assemblage of facts, and we succumb to the illusion that with sufficient objective analysis, we can arrive at an accurate understanding of it. Experience tells us, however, that the world appears differently to different observers. We interpret the world according to the framework of distinctions within which we view it. Consider, for example, the difference between a layperson and a doctor listening to a heartbeat through a stethoscope. The layperson will probably hear a regular series of beats and assume all is well. The doctor, on the other hand, might detect a certain arrhythmia indicating a potentially serious heart condition. Both are presented with the same acoustic signal, but the doctor, because of the distinctions she is able to bring to bear from her medical training, interprets the signal differently. Similarly, two business people operating with different sets of distinctions may come to widely varying interpretations of the future based on the same factual evidence.

*** Creating a coherent narrative**

Making sense of the world requires more than a simple set of facts or distinctions. Understanding depends on coherence, on how things "hang together" for us. Our tendency as human beings is to create coherence in the form of stories or narratives. Typically we are unaware of this. Psychotherapists are familiar with the phenomenon of bringing a patient to recognize that they are unconsciously ordering their life around a particular story, such as that they are doomed to repeating the pattern of their parents' marriage in their own. What matters here is not whether the story is true, but rather whether it allows the patient to make sense of their past actions and open up a different set of possibilities.

Business organizations also, explicitly or implicitly, create stories about the world from which they fashion their business strategies. To take a celebrated example from the computer industry, IBM was convinced that the main profits in the personal computer market lay in the manufacture of hardware. Bill Gates had a different story. Taking the same set of "facts" that were available to IBM, he constructed a vastly different coherent narrative which anticipated that technological advances would continuously drive down the cost of hardware. He then asked the question, "What would happen if computing power were virtually free?" The answer he saw was that value, and therefore profit, would reside in software. Both IBM and Microsoft had the same facts available to them, but they created different interpretations about what these signified for the future of the industry. History has shown that Gates' story, the way he

made sense of what he saw, was the more powerful one, opening the way for Microsoft to become one of the fastest growing and most profitable companies of the century.

*** Grounding with rigor**

We are free to make sense of the world in many different ways, and there is no method that guarantees the one we pick will prove to be successful. Certainly luck and happenstance will play a role, as will the degree to which we and others are committed to our vision. Nevertheless, we can improve the odds for success. A story about the world is a coherent interpretation consisting of a series of claims, and these can be more or less well grounded. Gates could have found partial grounding for his claim in Moore's Law (the price/performance ratio for microchips doubles roughly every two years, thereby lowering computing costs) for example. The more rigorously grounded the claims that constitute a story are, the more effective it is likely to prove.

Here the traditional analytical tools of business can usefully be brought into play, providing a wealth of factual assertions and ways of validating assessments to support a given interpretation of current and future trends. A caveat is in order, however. The power of a story, its capacity to open the way to successful new modes of action, still depends in part on the distinctions on which it is based. No amount of grounding will give power to a story that is formulated within an inadequate framework. The demise of Pan Am in the 1980s, for example, has been partly attributed to the fact that in the highly competitive North Atlantic routes, they interpreted customer satisfaction as being largely a matter of price value. No doubt they had plenty of grounding for assuming that a particular price point would prove competitive. What they failed to observe was that after years of cut-throat competition on price, service was becoming one of the key differentiators of customer satisfaction. British Airways, on the other hand, grasped this distinction early and thereby gained a significant competitive advantage.

*** Evoking a mood**

Part of the power of a story about the future resides in the moods it evokes among those whose lives are connected to it. An interpretation that prompts enthusiasm, ambition and energy is likely to produce more commitment than one that triggers a degree of anxiety (for example concerning the high risks involved). While we cannot claim to be able to design moods, we can say that the moods a story tends to evoke are closely connected with the paths to action it opens. The more these effectively address the concerns of participants, the more positive the moods prompted by the story.

Of all the competencies of a leader, learning to read the world and produce a powerful interpretation of the future is perhaps the most fundamental and important, since it subsumes all the others. Creating a coherent, well grounded story that makes sense of the world in ways that evoke strong commitment is a distinctive act of leadership that can lay the foundation for future success.

2. Declaring a Mission

In articulating a vision, a leader is opening up certain possible paths to the future while closing others. If, in our interpretation, software is what is going to be profitable in the personal computer industry, then it makes little sense to shift resources into hardware production (this was the mistake many analysts consider Apple made). Out of a vision, a leader can declare a mission, or in other words a game the organization commits to play, that will create the organization's future. A vision, then, is about the world and the impact we aim to produce, whereas a mission constitutes a declaration of how we intend to position ourselves in this world, and the results we are committed to achieving there.

In declaring a mission, a leader is requesting that the organization align its actions behind certain strategic roles and objectives. The first requirement for creating a powerful and coherent mission is that these roles and objectives are based on an explicitly stated interpretation of the world. Lacking this, a mission may degenerate into little more than a cheerleading slogan. Again, the case of Apple is instructive. Steve Jobs famously declared that the company's mission was to "Create insanely great products." Few would disagree that Apple has done so, but seemingly this goal has been achieved at the expense of gaining only a minor market share. Some attribute this to Jobs' failure to articulate a vision as powerful and coherent as Bill Gates' at Microsoft.

Vision and mission, then, are interdependent: a mission without a vision is blind, while a vision without an accompanying mission can never be realized. In fact, achieving a mission may prove to be a vital contribution to bringing about a particular vision.

Much of what has already been said about articulating a vision is equally relevant to formulating a mission. That is, a mission, to be effective in determining a business organization's activities, needs to be stated in terms of a clear framework of distinctions, to constitute a coherent story about the future, and to be grounded not only in a vision but also in a set of assessments and assertions about such matters as the competence and capacity of the organization to carry out the mission. Finally, a mission should evoke moods of ambition and willing cooperation. In other words, it should represent an interesting and rewarding game for the participants to play.

3. Making Alliances

An important competence that leaders must possess is their capacity to make alliances. Alliances make possible what was not possible before. They create new conditions that allow us to play games that could not be played before. An alliance is made when two players mutually agree to support each other while also retaining their autonomy for action. If, for example, they merge into a single entity, we don't call this an alliance. To make alliances the players must keep their autonomy, despite the fact that they may be engaged in common actions.

An alliance is normally based on the players' assessment that by mutually agreeing to support each other, they all increase their particular capacities for action. Alliances modify the horizon of possible actions of the players. Despite the fact that to build an alliance the players may need to make concessions and to face some costs, their engagement is usually made on the assessment that, overall, they increase their power position within the game, or that they lose less than what they would have lost without having made the alliance.

A constitutive condition of alliances is trust. Without trust we cannot make alliances. Trust appears as the assessment that players make of one another that they will mutually fulfill their promises of supporting each other (whatever this means for them) according to their agreement.

4. Building the Organization and Appointing Individuals to Positions of Authority

Leaders must declare the organization that their mission requires. Typically, this means constituting a team that is capable of achieving the goals and objectives of the mission.

Effective leaders delegate authority to those they appoint to the team, thereby expanding their own power base and capacity for action. At the same time, they take ultimate responsibility for all the actions of the team, including hiring and firing personnel, making contracts, and achieving or failing to achieve the team's objectives.

5. Creating Followership

Leaders require direct followers who commit themselves to achieving the mission declared by the leader. Most of us have a tendency to prefer being a leader rather than a follower, but common sense tells us that any organization, to be effective, needs both. Furthermore, a leader is also a follower, not only in the sense of supporting others' missions, but also through subordinating his or her own concerns for the sake of serving those of the team or organization at large.

Leaders may create followers by simply exercising the authority of their office. But the most effective way of ensuring full support is by generating positive moods such as appreciation, ambition and enthusiasm. This goal can best be achieved by addressing the concerns of the team (organization, community) in a direct and meaningful way. Such concerns may include the chance to do interesting work, financial rewards for good performance, opportunities for professional learning, and career development. Declaring a mission that addresses these concerns, in whole or in part, contributes strongly to producing positive moods among followers by expanding for each one their horizon of possibilities. Of course, not everyone may immediately recognize how this is so. One of the key tasks of a leader to be undertaken at the outset is to produce the listening among his or her followers that what they are being asked to commit themselves to will enrich their lives in multiple ways.

The point we are making here bears emphasizing. We live in an era when downsizing, increasing work hours, ceaseless pressure for higher profits, internal competitiveness and similar factors have produced a toxic brew of resentment, resistance to cooperation and change, and self-serving political maneuvering on the part of many employees at all levels of business organizations. The cost is significant: projects that are abandoned or fail to achieve their objectives, unwillingness to embrace changes in business culture, failure to set the best interests of the organization as a whole above self-interest, and so forth. Only when leaders take seriously their responsibility to serve those who support them can this trend be reversed.

One area of concern and special importance is career. Organizations provide a framework of stability for people who work for them. Despite the regular turnover of employees, organizations have become normal places in which many people build their public identities in life. Even when people leave the organization, what they did there affects how they are going to be seen outside the organization. Today a great number of people develop careers within organizations.

Taking care of people's identities is one of the basic competencies that someone must have to be assessed as a leader. One of the key contributions a leader can make in this domain is to create an environment in which a mood of ambition naturally arises and flourishes. There are several ways of doing this. First, declare a mission that constitutes a game worth playing. Being part of a team committed to producing a breakthrough in battery technology for electric cars is more likely to make someone feel positive and energized about their future than belonging to one simply charged with reducing unit costs. Second, create ample opportunities for learning. People are invariably more ambitious when they know that their work continuously provides them with possibilities to broaden and deepen the range of their competence. Third, reward effort fairly. Employees are encouraged when they see that promotion and salary increases are given in recognition of genuine effort and achievement, rather than resulting from favoritism or political maneuvering.

In sum, leaders who are judged to support the career aspirations of those who work for them produce loyal followers.

Leaders can support and serve their followers in several other important ways:

*** Acting Consistently with Declarations**

Every leader knows the value of setting an example, and this holds especially true in regard to acting consistently with one's own declarations. Followers are quick to assess how far a leader's commitment to a vision and mission goes by assessing the way he or she acts. "Walking the talk" helps generate and sustain a mood of mutual trust and respect.

*** Providing Timely Feedback**

Few things are more frustrating than having one's efforts assessed negatively at the end of a long and arduous project. Team members need feedback on their performance at regular intervals. This doesn't mean a leader has to engage in micro-management. What is mainly required is timely assessments of a performer's alignment with strategic direction. This ensures that team efforts remain on track while reassuring each project participant of the leader's continuing interest in and commitment to the outcome.

*** Remaining Constant in Support**

Leaders want loyal followers, but this in turn demands that they themselves be loyal to those who serve them. When a leader's support appears to be arbitrarily bestowed, when it wavers in hard times, or worst of all, when it seems to have been removed under the pressure of organizational politics, disenchantment rapidly sets in. Correspondingly, mutual loyalty builds on itself, producing a positive spiral that often leads to extraordinary results.

6. Managing the Top Half of the Action Cycle

Leaders must produce the resources that are necessary to attain their declared mission. This requires that they fulfill their role as customers in the action cycle. In making requests of his or her team, a leader must set out clear conditions of satisfaction. In making their promises, members of the team are then able correspondingly to make clear requests for the resources they need. It is the leader's responsibility to ensure that these resources, typically in the form of budget, staffing and time, are made available.

Not being a "good customer" is a frequent source of breakdown in leadership. For example, when a leader fails to set out explicit conditions of satisfaction for a request, those who are making promises as performers may be uncertain as to what is required of them, and so in turn fail to make clear requests for resources. If as a result, the project fails, each side is likely to blame the other, producing a mood of distrust and resentment.

To develop production within the framework of an organization, coordination of action between different individuals is needed. This points to a key difference between leaders and managers. Management is the competence to coordinate the actions of many individuals to generate and deliver the conditions of satisfaction involved in the leader's promises. By delegation of the leader's authority, the competence of management may be exercised not by the leader but by someone else. When this happens, leaders and managers appear as two different roles within an organization and different domains of concerns. Leaders appear more strongly connected with making the basic declarations and promises that constitute the organization. Managers appear more involved with dealing with the coordination of specific promises that tie the organization together.

Despite the fact that these two roles, leadership and management, can be separated, leaders are ultimately responsible for the actions of the whole organization. Delegation of power within the organization is

always an action conditioned to the permanent assessment of the leaders. Final responsibility over the organization's actions is never delegated, since leaders themselves are responsible for the action of delegation.

Conclusion

Traditional understanding, when addressing the phenomenon of leadership, normally ends up providing an infinite list of results, qualities and anecdotes that have proven to accompany the presence or performance of a leader. This is a good way to observe what leaders do. However, it does not offer an acceptable interpretation about how those results were generated. It does not tell us how those qualities can be gained and how those anecdotes make sense as part of a basic learnable practice.

Instead of starting from the phenomenon of leadership itself, then seeing what it produces and ending up with lists of diverse results, qualities and anecdotes, we can now start from the competencies that constitute leadership and end up producing the phenomenon. We can now see that by gaining those competencies leadership is actually generated. All these competencies can be learned, and once learned, all the results ascribed to the phenomenon of leadership can be generated. Leadership then becomes an arena of learning and design. We have reached a point from which we can now not only describe the phenomenon of leadership, we can now explain it and produce it.

Finally we must stress that merely reading this paper will not produce leadership. What the reading produces is a new capacity to see the phenomenon, not a new capacity to act. To learn to be a leader inside of this interpretation will take time, a commitment to practice and the perseverance to stay engaged in the process of learning.

Our claim is that in business today there is no more important commitment that one could make.

I met Fernando Flores in about 1980, at which point he became my teacher and mentor. His philosophy that human beings are creatures of language and that we create our lives and our futures in language is revealed clearly in the domain of Leadership. This paper was given to me about 15 years ago and I've not made one change to it. At the same time, the principles outlined in the paper are timeless and important to grasp. They are in fact mission critical if you want to develop your power and skill as a leader in today's complex world.

Over the years I've learned that, Leadership is a skill that can be taught and learned.

-Dan Molloy



Dan Molloy & Fernando Flores