

What is leading beyond authority?

Was there ever a time when (to paraphrase John Donne) leaders could operate as islands, entire of themselves? Frankly, I doubt it. But if there was, that time has gone. Many organizations operate in silos: with each division or department looking upwards and so seldom sideways at issues that cross the verticals. They need leaders who can see across the whole organization and make the sum of the parts greater than the whole. They need leaders who understand the value of networks which extend far beyond the traditional confines – and, more importantly, know how to lead them. The opportunities (and threats) ahead will not come neatly parceled to fit the department, or division, or sector, or culture, or even country into which we have arranged ourselves. They will cross boundaries and come through walls – and our leaders need to be able to do this too.

And it doesn't stop at organizations. Society needs leaders who can overcome the silo problem inside their organization – and then move across different spheres of activity outside it and connect them too. Then, perhaps, we can start to shift the “silo problem” in society as well.

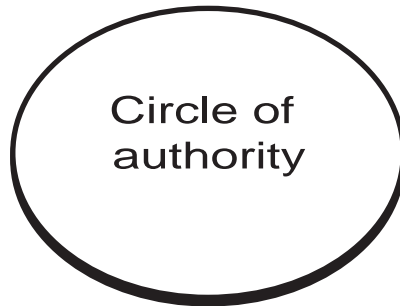
This requires leaders who are prepared to challenge the “butt out” culture that tells everyone to “stick to their knitting” and stop interfering where they don't belong. Leaders who can take responsibility for problems other than their own, both within organizations and in society at large. Leaders who can still lead when their legitimacy is constantly in question.

We need to nurture these leaders. We need to give them the confidence they need to legitimize themselves and challenge the old ways. And we need to make them successful as they create new ones. Why do so many leaders in this situation withdraw to their home territory, bruised, muttering about “them” as they retreat? Because they simply do not know how to lead people who are not “theirs.” They do not know how to adapt when the instincts that led them to success in their own field do not work outside it.

I call this “leading beyond authority.” It’s not about having authority but choosing not to use it; it’s about having no authority at all (and sometimes less than that). It’s about *earning* legitimacy with ideas that resonate – and an approach to leadership that means people end up willingly granting authority to you.

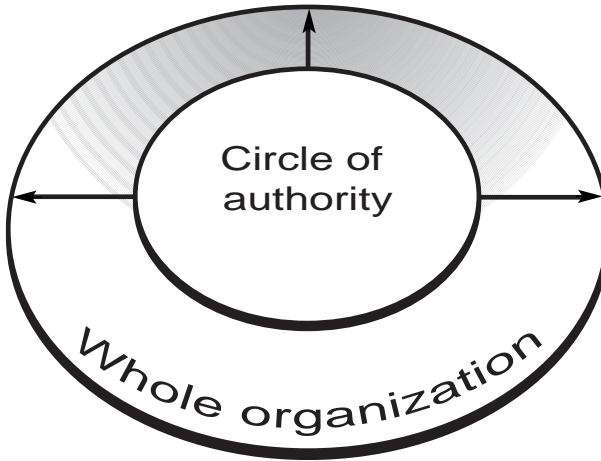
This is vital. For organizations, for the people who lead them, for the people they lead, and for society as a whole. And it’s different from conventional leadership: not completely different, but different enough to be worth exploring. And, for leaders of all kinds, in all kinds of positions and organizations, I think it is worth learning how to do. Or, at the very least, learning how to do better.

The circle of authority



Most leaders have an inner circle, where they are in authority. Of course, they must motivate their people in it but, ultimately, they can bonus or sack them. The leaders have authority; they are “in control”; they can choose to use their authority to a greater or lesser extent, but everyone knows that this is the bottom line. On the whole, the people they lead are minded to follow, even if they won’t give it their all unless they are motivated and inspired by their leader. I call this the “circle of authority.” Its boundaries are usually coterminous with the leaders’ budget. It is often a department or a division or a section of the organization they operate in. They have usually been appointed or elected to the role. Sometimes it’s huge, sometimes it’s small, but everyone knows what it is – and where it ends. Most of the recognition leaders get is for what they achieve in this space; and most of the leadership development they receive as they progress (under the heading of supervisory training, or management development, or leadership education) aims to make them more effective in this circle.

The first outer circle



Then there is a first outer circle. This represents the whole organization within which the leader operates. At any given time, there is a very good chance that the chief executive will be trying to get all the leaders, at every level, in all the different core circles, to operate beyond them – for the benefit of the organization as a whole. Alan Lafley, who runs Procter & Gamble, apparently says: “*A measure of a person’s power is that their circle of influence is greater than their circle of control.*” Indeed, there is almost no chief executive in the world, be it of a company (big or small), a hospital, a civil service, whatever the entity, who does not want to get their organization operating horizontally as well as vertically (just as long as it is both – and not one at the expense of the other). They want the parts operating cleverly together so that they maximize the effectiveness of the whole. They want two and two to make eight.

Many organizations wrestle with the silo problem. Banks, where great risks have not been spotted. New technology companies, where constant invention and reinvention is crucial. Manufacturers, where any waste needs eradicating. Service providers, where the customer can rapidly be lost through lack of connectivity. Or in the public sector, where the many services all interconnect.

Unwelcome interference

So the chief executives try to change the culture. They change the structure. Even, in some brave cases, they change the way they

analyze the performance indicators. (I'm told that one of the biggest investment banks in the City of London became so convinced of the need for change that they seriously considered no longer analyzing profitability *at all* so as to break the vertical structures that had built up around geography and lines of business.) In very rare cases, they restructure the rewards systems to encourage people to take wider responsibility. Because they know that it's in this outer ring that their best people add the most value to the organization.

But when leaders who have been persuaded to venture into the first outer circle actually do it, they find a very different world. Where there is *no* authority. And their legitimacy is constantly in question, with other leaders demanding to know why they are messing about in territory that is not their own.

When I speak about leading beyond authority, it's fun to tease the audience. When I first mention the expression, their eyes glaze over and I know they are thinking "busybodies." So I catch them – as they glaze over – and say: "*This is the problem. Your instinctive response. Thinking 'busybodies,' rather than leaders who are prepared to look beyond their budget and see the bigger picture. You illustrated the challenge beautifully the moment you all glazed over.*" And it is indeed this response that never fails to put people off trying to work outside their core circles. After all, no one wants to be a busybody, to appear so arrogant as to assume authority before they have been given it. However, we need more leaders who will run the gauntlet of criticism about their legitimacy and take on problems other than their own. Because, as a senior civil servant said to me recently: "*It's ridiculous, indeed almost the highest form of arrogance, to assume that all the problems will fit neatly into the departments we have organized ourselves into.*" I would argue that we won't just fail to solve the problems. We'll miss opportunities too.

Coalitions and long games

There's another problem in the first outer circle. Not only is your legitimacy questioned in a way that you have never dreamed of (and certainly never had to face in your circle of authority), but it can be horrible out there. It takes forever to make anything happen. The time scales are ridiculous. And you have to spend your whole time building coalitions if you want to get anything done. To many, the temptation to revert back into the core circle of authority is huge. Of course, deep inside, you also know that it's your achievements in this

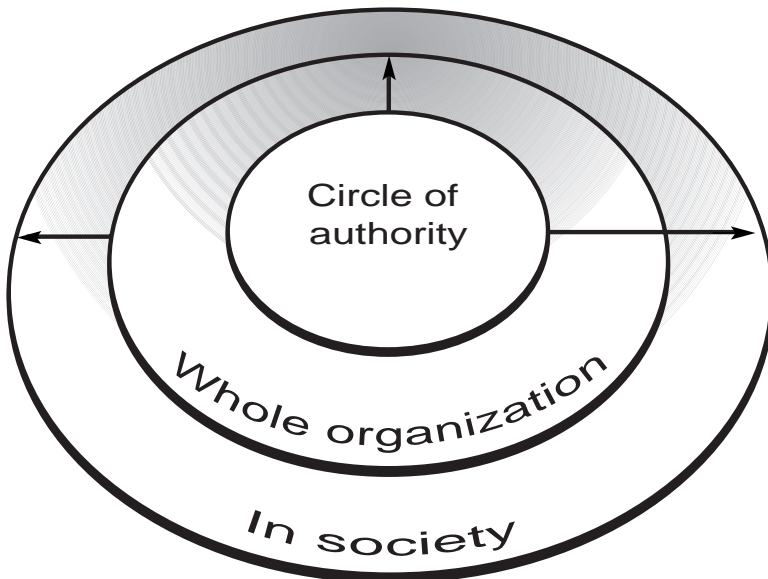
inner circle that will really gain you recognition. Sir Derek Higgs is Chair of Alliance and Leicester plc and chaired the Independent Review of Non-Executive Directors. He says: *There are centripetal forces in human nature. People look inwards rather than outwards and the further you go out, the harder it gets. Leadership development needs to seriously invest in taking people off the tramlines and out of their comfort zone.*"

I talked about this with a very bright director of a successful Internet-based company. He had shared an idea with the American CEO, who then invited him to the States to test it out. It was a classic "leading beyond authority" opportunity – and he found the experience extremely frustrating: *"It takes too long, it's too complex, with multiple stakeholders, many out to neutralize you, none in a position to just say 'yes.' It's better to focus on my own area, where what I achieve will be recognized. And it's not as if I don't have enough to do already. Never again."*

He saw it as horrible. I'd say it's different.

The second outer circle

The second outer circle represents society as a whole. There are many reasons – some organizational, some societal – for leaders to operate in this space.



License to operate

Most organizations now acknowledge that their license to operate is not a given: they need to connect with, and convince, the outside world. They have shareholders and partners to keep onside. The boundaries between the organization, its stakeholders, and the outside world are becoming more fluid. Contracting out has become more common. Corporate social responsibility is speeding ever higher up the agenda. The organization's leaders know that operating in isolation is not an option – and that many things that happen in the outer circle have a direct impact on their ability to operate.

In some cases, it goes even further. They know that, however excellent their organization becomes, if other organizations are not going in the same direction, none of them will succeed. So organizations need their leaders to connect with the outside world. Maybe now the skills of leading a network are going to become as important as those of leading an organization. Sure, the leaders can send out ambassadors to do the connecting for them: marketing professionals, corporate social responsibility experts, policy developers. But sometimes the ambassador is not enough – and the leaders have to do it themselves. If the message is to be got across and the outside world is to be reconciled with yours, the communication has to be direct. In any case, if the leaders don't get out into the changing world, they run the risk of not being sufficiently connected to spot the opportunities and threats there. And they sure won't know how to grab them – or duck them – when they come. They run the risk of developing “group think,” and becoming convinced that theirs is the best and only way of doing things. And they won't spot talent in unfamiliar places.

Civil society needs leaders

The outer circle needs these leaders. Not simply as representatives of organizations that need to connect with the outside world, but as individual citizens in their own right. We all live in society – and society needs the brains and abilities of all of us if it is to run well. Democracy is not just about voting every few years and then whingeing in the intervening period about politicians not being able to run the place properly. We all need to engage as citizens. Some will do it by entering politics. Others will do it by standing up as leaders of civil society. But we all need to be involved.

And many leaders need civil society

A lot of leaders aren't just out there because it's useful to them as professionals, or because society needs them. They are there because they want to be. They want to make a difference beyond their core circle – and civil society is what enables them to do it. As I watch people on Common Purpose programs, in Teesside in the north of England, or in Dublin, or Johannesburg, or Frankfurt, I see a re-emergence of philanthropy. And a growing belief that politicians cannot – and cannot be expected to – address society's issues on their own. As citizens, this new generation of leaders is more likely to volunteer. They worry about short-termism and about the cultural fragmentation that they see going on around them. It's the silo problem again: but across society – and writ in very large letters. For me, the best illustration of this came from the program in Birmingham. A young participant described feeling as if she had been in a maze, where every organization and each community has its own separate section, until finally someone cut down the hedges for her. Now she could survey the whole landscape. She could spot short cuts – and avoid dead ends. But perhaps mostly this new generation worries that, if leaders do not address these issues head on, trust in both leaders and the very idea of leadership will erode.

Prepare for tough questions

If leaders, having braved the first outer circle, come out to the next one, they are in for an even bigger surprise. If they found the questions about their legitimacy hard to handle in the first outer circle, the interrogation out here is of a whole new order. Now they are told – loudly and publicly – to butt out. They are hit with a barrage of legitimacy questions. Most of which start with “by what right...?” or “on whose authority...?” I well remember going to meet the leader of Manchester City Council about three years after I had started Common Purpose. As I walked in, he welcomed me with: “*I wouldn't have let you into my office two years ago.*” He explained that, when he had been elected leader of the city two years before, he was determined that, through his own civil leadership, he would produce huge change. And he had. Manchester was on a roll, a big roll. You could feel it wherever you went. But now he recognized that, to go further, he needed others. That he would need all leaders of civil society, all over Manchester, to help. That he could not do it alone. So he had decided that maybe Common Purpose could be useful if we could

find, inspire, connect, and develop more leaders. Especially the next generation of leaders in Manchester.

The great “they”

Both in organizations and in society, we have become far too good at delegating everything to the great “they.” This can be politicians. Or “the people upstairs.” Or “the experts.” Sometimes, it’s just someone – anyone – else. What we don’t realize is that, sometimes, there is no “they.” It’s “us.” Or even “me.” It has almost gone so far that, when you do stand up, you are seen as acting illegitimately, unless you are a politician, the boss, or a professional carrying the relevant institutional or departmental brief. Jude Kelly is Artistic Director at the South Bank Centre in London. She says: “*We cannot wait to be given legitimacy. We need to legitimize ourselves.*”

Bigger coalitions and even longer long-games

And that’s not all. If time scales in the first outer circle were long, they are even longer out here – and the coalitions you need to build are even bigger. The centripetal force becomes even more compelling. Go back to Derek Higgs: “*The further out you get, the harder it gets.*”

It’s not for everyone. But ...

So it gets tougher, the further out you go. Lots of very successful, talented people don’t want to go out there, or don’t see the point. They add real value to their organizations and to society by doing what they do well. And that’s fine, as long as they don’t sit on the sidelines throwing rocks at the growing number of leaders who do want to move out beyond their authority. This book is intended for the ones who do want to go further. What can they learn from people who have already done it? What do they need to learn (or unlearn) to make the transition successfully? And how do they avoid retreating with a bitter “never again”? Or worse, with the stubborn conviction that change in the outer circles simply isn’t possible, so it’s not worth trying?

Step by step or leaps and bounds?

Do you need to progress circle by circle? In some ways, that helps, so that you take sensible steps outwards. Don’t do it in one big bound. Julia Cleverdon, Chief Executive of Business in the Community, says: “*Do it in small incremental steps.*” Circle by circle.

This brings to mind a conversation with Dame Gill Morgan, who is Chief Executive of the NHS Federation. She is concerned about the challenges in the health sector for people who make the leap in one go – from local doctor to the non-executive chair of a Health Trust, for example – and are thrown very much into the deep end of leadership. I think the steps need to be incremental – but they must not be too cautious. They just need to be well judged.

Sometimes jumping a stage is welcome. I have a friend who was UK Chairman of a huge global company. While still there, he also became Chair of an international charity. He talks of the relief when he leapt right out to the very outer “society” circle. He had spent so much time and effort leading beyond authority within the huge and complex organization he knew and loved that he had become exhausted by it. When he moved to the outer circle, he was expecting worse and, for him, it was a huge relief.

On the whole, though, it’s worth going circle by circle. James Ramsbotham is Chief Executive of the North East Chamber of Commerce. He agrees that there is value in moving carefully and accumulating learning as you go. But he makes a very important point about the progression and what it does for the leaders who do it successfully: *“As you keep going out of your core circle, and you get better at it, your circles expand too. As you progress within your organization, your core circle gets bigger, often because you have got better at negotiating your way around the other circles.”*

Success across the circles

Beware: success in one circle does not *guarantee* success in the others. Over the years, I have worked with some amazing campaigners who are hugely successful on the outer rim of the outer circle. They take their time, they create their own legitimacy, they build glorious coalitions, and much more. But, back at base, within their authority, their core circle, it’s a shambles. They aren’t even prepared to delegate. I have also worked with fantastic chief executives who are hugely successful in their core circle and then fail miserably (and, to them, very unexpectedly) in the outer circles.

Can you bring back what you learn out there?

Definitely. I believe that people who learn to lead beyond their authority will find it useful when they return to their core circle. Because they will go just that little bit further before exercising their

authority within the organization – and the people they lead may well find this exciting. It will also prepare them for a shock which every single chief executive I have ever spoken to describes: that the higher you go in an organization and the closer you get to achieving authority, the more illusory it becomes. In reality, the moments when people with authority can really use it become fewer and further between. Leading beyond authority is good preparation for this revelation.

Full circle

Sometimes, when you go into the outer circles, a strange thing happens. Leaders who have learned to do without authority are given it. Volunteered it by the people they are leading.

Willingly and naturally. Because they have earned it.

There are people who say that the real test of a leader is whether he or she can lead without authority. It sounds good – but I am not sure that it is true. I think the best leaders can lead when they have authority and when they don't. The point is that they don't *need* authority to be able to do it. The best can do it all. And there are plenty of them. They are not successful all the time – but no one ever is. The trouble is that most of them don't think about how they do it. They say to me: "*But doesn't everyone do it like this?*"

If only.

SCENARIO: WHEN DID YOU START MOVING ACROSS THE CIRCLES – AND WHY?

Lord Puttnam, President of UNICEF (UK) and Advisor to the Department of Education. Prior to that, a film-maker.

Hubris was the first reason. I had just won the Palme D'Or in Cannes and there was nowhere else to go. I knew I could not become one of those people who looks back sometime in the future and says "I could have done more."

There were then two factors that moved me on to the outer circle. One was to do with timing. I was asked at the right time. If Labour had won the '92 election, it would have been wrong. But, in '97, the timing was right. I was ready to try new things.

The other was that I heard myself say "Yes" on the phone one night when I was asked. It was about as planned as that!

Thinking back though, I don't think I would have gone into the outer circles if I had not been confident that I was wanted for all my skills and abilities. It was not just about the success or knowledge I had acquired in my core circle, my ability to make movies. I wanted to really move out and not get sucked back into the film industry.

Whichever circle I am in, I always prefer the cafe style. I love the small teams and the discussions. All I really need is a pen, some paper, and a phone.

James Ramsbotham is Chief Executive of the North East Chamber of Commerce and former Chair of Esh Group. Prior to that, he was at Barclays Bank and, before that, a Captain in the Army.

I am not sure that I have ever stayed within any boundaries. I was always that child who was fascinated with everyone and wanted to learn everything I could, whether it was from the school bus driver or the Secretary of State for Industry, who came to give a lecture at our school. I wanted to know everything I could. It was the way I was "brought up."

When I joined the Army, it was the same. In Northern Ireland, I would seek out all sorts of unlikely people to meet and talk to, particularly if they had a completely different point of view. Members of IRA families. Political leaders. Even members of the Garda. I am interested in every point of view – and I know how easy it is to cloud one's judgment by having too strong an opinion of one's own.

I remember, in a counter-terrorist situation, my police colleagues encountered a traffic management problem which they could not solve. I asked our driver, who had been listening in silence, what he thought. He had the answer straight away but was amazed that I had asked him for his opinion. The police were even more stunned.

I never missed an opportunity, not just to go out of my circle, but also to go places within my circle that others did not go. For example, as an officer, I went out on patrol in Northern Ireland as a rifleman (most of the others had no idea who I was). I was not alone in such activity – it was the norm in my regiment. Deliberate attempts to engage with a wider circle were not frowned upon, as they are in some regiments – and in the US army, which encourages you to stay within the confines of the base. We would have gone mental if we had just done that.

Banking was the perfect next opportunity for me. It required me to meet business people of every shape and size, take an active interest in their affairs and, as I quickly found, introduce people to each other and widen *their* circles in so doing. My desire to challenge and see things from other points of view gave me several opportunities to challenge accepted practices in Barclays. Eventually, I was asked to restructure the way in which we did banking in Newcastle and this was then adopted throughout the country. It meant engaging with influencers who had been previously ignored. In my final role at Barclays – in marketing – I was always outside the core circle. Then again, marketers should be out there all the time anyway.

I have often done things merely because they were fun. The day job has not always offered sufficient stimulus. A medium-sized construction company is a fairly conservative place. The fact that we were widely recognized for our work in the community is testament to what can be achieved by pushing the boundaries out. We twinned with a failing local school and played a part in its transformation. We successfully employed ex-offenders and ex-addicts, and played our part in rehabilitation. None of these directly related to the day job, but all were about benefitting the community.

Pete Connolly is Chief Executive of Yorkshire Design.

I left my core circle because I got so angry. Because I love Leeds and I don't think there are enough voices in the city who ask difficult questions of those in power.

So I started asking them. Speaking up at events, writing letters to the editor about all kinds of issues. I did that for a while, but then I realized that the local newspaper was using me – they would regularly phone me for comments. I was always quoted, and as negatively as possible. So I went back into *purdah*, into my own circle for a while.

Then a group of us realized that we were leaving the difficult questions to be asked by all the bodies that in theory should be doing it, but can't. Because they have got sucked into the system, they have become neutered and they can't criticize because they have become part of things. Surely, we asked ourselves, there must be some way to be collective without being political? So we started the FU Club. When you apply for planning permission in the city, you get a letter back with a reference code that always starts with the letters "FU" followed by some numbers. We think that's how our local government feels about citizens in Leeds.

Richard Greenhalgh is Chair of First Milk Limited and Templeton College, Oxford, and former Chair of Unilever in the UK.

I came to the outer circles quite late in my career – and, at first, very much as an ambassador for the company.

In the late 1990s, genetically modified organisms were entering the soya market and my company initially decided to accept this modified crop. Technically, it behaved no differently than unmodified soya. However, some interest groups, Greenpeace and the Soil Association in particular, objected strongly. There was no advantage to consumers in GMO soya but, for one of our products with significant organic and vegetarian consumers, GMO soya was highly suspect. Sales fell. Appointed as UK Chairman that year, I initially led with a rational approach, aiming to convince consumers it was no less safe than non-modified soya and articulating a future where GMO products would actually improve quality and even enhance health (e.g. in tomatoes). We partnered with other companies in this, and defended the food industry in general and the company reputation in particular.

It didn't work. The company was being attacked in the media ("Frankenstein foods") and the retailers started to change their position from GMO support to rejection or choice. I moved to the organizational circle, working with outsiders: involving the government,

briefing the media and starting a dialogue with Greenpeace, the Soil Association, and other NGOs. But it was too late. Rehearsing answers for the TV with an ex-*Sun* reporter, I struggled. The pro-GMO case was difficult to make. So we thought again.

We held focus groups externally and reviewed our position internally. I talked to friends. They were largely unsympathetic to genetic modification. Focus groups supported it for life saving and even life-enhancing purposes, but not for food. The company in the UK reverted to non-GM crops. We failed to see the warning signs until it was too late. Had I realized three years earlier, I would have tested the societal circle first. Had it been more positive at this stage, I would have set out to take the media and the NGOs with us. Finally, I would have organized ourselves better internally and led the change.

It was an excellent learning process for a leader! I then became more and more interested in the outer circles. I have since taken roles that have continued to push my thinking outwards.

Cyril Ramaphosa is Chair of the Constitutional Assembly of South Africa.

When I started on the task of sorting out the mine workers, I consciously chose to leave the authority I had. Because I took the view that others before me had failed by trying to operate it this way and that I would be better off taking on the task with no authority at all.

In the 1970s, the trade union movement began to surge. In those days there was an unquestioned principle that you never went to the bosses. I broke it – and went to ask permission to organize the workers. Asking the bosses for permission was like going to Alcatraz and asking for permission to organize a prison break-out.

I knew I was taking a big risk. Many before me had tried to organize the mine workers; there had been many such attempts between 1946 and 1982. I knew I had to do something new. Why would I take a long detour (which is what it was) and break a fundamental principle about working with the bosses? I attracted a lot of criticism from the trade unions and the ANC. It was a painful and lonely path to take.

But I knew that the authority I appeared to have was the wrong one. The miners were living in an almost military environment – they were like hostages. I knew that I needed to move outside the

rules, outside the traditional way of organizing the workers, and outside the authority that I had been given.

So I went to the Chamber of Mines and asked for permission to operate in the mines: for offices and resources and food for my officials. The timing was right because a report had just come out saying that black miners needed to organize into legalized trade unions.

Once we got going properly, the workers stopped feeling so browbeaten – and stopped behaving like hostages. It was like lancing a boil: there was an out-flowing of this quest for freedom – and we became the fastest growing union in the world, with 360,000 members eventually.

So I eventually moved back into authority – but a different one. To get there, I had to make a detour and operate way beyond my authority first. If I had not taken that detour and moved way outside my authority, it would have not been possible to organize the mine workers so quickly. Of course, the strikes they then backed played a crucial part in making the country ungovernable and causing the breakdown of the apartheid government. The detour was all part of achieving our original objective.