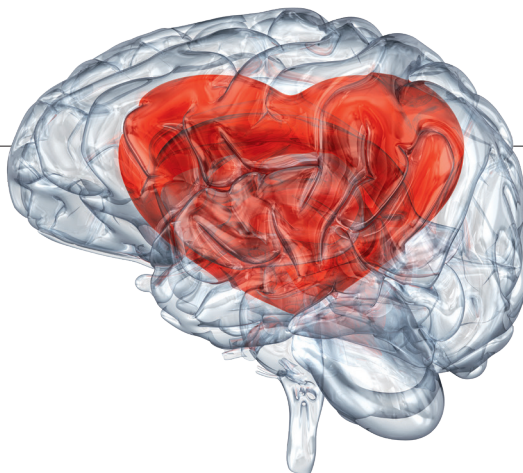


Opinion.



LEADING QUESTION

It is no longer sufficient for leaders to be appointed to senior roles simply based on their technical proficiency or influence within an industry. Modern leaders need to lead with both head and heart, writes Dr Kirstin Ferguson AM FAICD.



The leaders we need in our complex world are those able to lead with both their head and heart. It is these leaders who will offer the high performance required in our contemporary environment.

The appointment of Satya Nadella as Microsoft CEO in 2014 marked a clear shift to modern leadership in the corporate world. Nadella has placed care and a growth mindset at the cornerstone of his leadership style and under him, the culture at Microsoft has been rebuilt from the ground up. He has said that ideas excite him, while empathy grounds and centres him. As CEO, Nadella openly shared his view that integrating the head and heart in his leadership would drive the change needed in Microsoft's culture.

Nadella has argued that without valuing empathy, Microsoft will never understand the needs of their customers – especially those customers they did not already know. He embraced thinking through what others must be feeling and sought to understand what their needs might be and how they could be met. The success of his approach has been profound and Microsoft's growth trajectory during his tenure has been well reported. Microsoft promotes empathy as a bottom-line value leading to happier employees,

increased customer satisfaction, greater profits and a stronger brand.

When Nadella was appointed CEO, his executive team was chosen from people with technical capability who could lead with empathy and humility. He rewarded curiosity and the notion that every leader, no matter how senior, could learn from whoever was speaking.

Attributes of a modern leader

Using quantitative research and academic literature, and in conjunction with QUT Business School, I developed the Head & Heart Leader Scale and identified the eight leadership attributes for a modern head and heart leader. Every board should have these qualities on its radar when filling critical leadership roles inside and outside the boardroom. Test your own head and heart leadership by visiting headheartleader.com

1. Head-based leadership attributes Leading with our "head" is familiar to most directors as it refers to the cognitive, decision-making part of our brain. When we lead with our head, we can analyse complex data, weigh up risks and opportunities, create business strategies or write policies. Our

head loves to focus on the tangible, find patterns and think about what can be measured and reviewed. It is a safe place for many of us because we can see, feel and touch the work we produce – and there is no doubt that capability and technical proficiency are incredibly important. Without the skills our rational brain affords us, we would never be able to fulfil what is required of us as a leader.

The four attributes of leading with our head are curiosity, wisdom, perspective and capability.

2. Heart-based leadership attributes Emotions have always influenced and impacted our decisions, since humans are not and never have been automatons. Our heart, in a metaphorical sense, is where we process our emotions, feel a connection with others and develop our values.

Leading with the "heart" is just as important for a modern leader as leading with our heads and refers to how we view and are viewed by the world. The output of leading with our heart may be more difficult to see and measure than that produced by our heads, but is equally important and impacts the way we interact and relate to others.

The four attributes of leading with our heart are humility, self-awareness, courage and empathy.

The art of being a modern leader is knowing what balance of each of these leadership attributes is needed and when. The skill for boards is to understand the extent to which boards are appointing, rewarding, promoting and celebrating the head and heart leaders within their organisations.

Modern leadership in action

When I spoke with BHP CEO Mike Henry for my latest book, *Head & Heart: The Art of Modern Leadership*, we both began to laugh after I asked him whether he considered himself to be more a head-based leader or a heart-based leader. He immediately started to rank the attributes of leading with the head and heart in order of weighting. I joked with him that this is very much something a head-based leader would do.

Australian Council of Trade Unions secretary Sally McManus took a similar approach and gave me a definitive answer to the same question. “I am 60 per cent head and 40 per cent heart,” she says. “I am more inclined to the head, but I have worked to get better at the heart. I know what my blind spots are.”

Henry says that as he has matured in his career and in age as a leader, he has felt freer to be able to lead with his heart. Early in his career, he prioritised looking at logic and data without necessarily incorporating empathy. Now, he believes incorporating empathy into his leadership and the decisions he makes is essential.

Empathy is, for him, the most important aspect of his leadership and, in particular, the power of inclusion of other perspectives. “Being willing to listen to the perspectives of others means you can create something way bigger than you ever could through logic,” says Henry. “There is a much deeper appreciation and understanding through leveraging and drawing on the perspectives of others.”

The art of modern leadership for him is understanding that sometimes it is not about the logically correct answer a spreadsheet may provide, since that may not offer a positive long-term solution. “Being willing to understand the needs and views of a larger population – and tapping into that – can unlock much better performance in the near term, but can also build a level of energy and momentum that will give rise to bigger and better things you can’t even envision today.”

It is incumbent on every board to consider whether the next CEO they appoint is the modern leader needed to guide an organisation through the complex world we operate in.

Questions for boards

1. Lead with perspective

Based on the key findings of my research, leading with perspective has a truly special quality. Leading with perspective helps leaders to understand the culture, industry, environment or context we are leading in, and to make decisions on the best path to take to enable the best possible outcome for all.

Being able to lead with perspective – or in other words, being able to “read the room” – is highly correlated with a leader who has high levels of empathy, capability and self-awareness. Of all eight attributes, the ability to lead with perspective allows you to be an empathetic leader who is also capable and self-aware.

How well placed are the leaders within your organisation, including the board? Are they able to “read the room”, notice who is missing from the room or see what is happening outside the room altogether?

2. Be aware of your limitations

Being aware of your limitations is a key skill for modern leaders and strongly correlates with all eight head and heart attributes. This is because being aware of your limitations means you are more likely to be curious about other answers,



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Mike Henry, BHP

humble about your inability to know everything and self-aware of your abilities.

How willing – and able – are the leaders within your organisation to accept their limitations? How self-aware are they to having limitations at all?

3. Be prepared to challenge assumptions

Leaders who self-assess as being willing to challenge what they thought they knew are more likely to be leaders who self-assess as being courageous and having high levels of empathy. This is because they are willing to accept they don’t know everything and are willing to seek out the views of others that may be quite different to theirs.

To what extent do the leaders in your organisation seek out the views of others and appreciate they do not need to be the “smartest person in the room”?

4. Be open to the ideas of others

If you self-assess as being open to the ideas of others, you are likely to also have high levels of perspective, empathy and curiosity. This is because modern leaders value diverse points of view, are curious about things they may not understand and know that to make the best decision they must be able to read the room and incorporate many different perspectives.

How often do the leaders within your organisation seek out the views of those different to their own and seek to incorporate different perspectives into their decision-making?

Modern leaders are not perfect, far from it. Leading is a series of missteps and challenges, setbacks and lessons learned. We will be invariably learning some of the same lessons our entire lives. The humility to know we don’t have all the answers and the curiosity to search for a solution requires a modern leader who understands when to lead with their head and heart.

The art of being a modern leader is knowing what balance of leadership attributes is needed and when. In any given situation, context or conversation you will need to draw on skills from both the head and heart to be the most effective leader you can.

► Dr Kirstin Ferguson AM FAICD is an author, columnist, and company director. She sits on the boards of technology companies PEXA Ltd and Envato Pty Ltd. She is an adjunct professor at QUT Business School and former deputy chair of the ABC.