

# Unleashing Disruptive Leadership – Teaching Carpe Diem!

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## ABSTRACT

Today's managers and leaders face an unpredictable business future, stiff competition, a culturally and generationally varied workforce, a constant need for change as well a need for a different way to manage change, and a volatile customer base. They need to lead differently and courageously. Disruptive strategy calls for disruptive leadership. Faculty and facilitators who teach business topics in colleges, universities, and executive programs are responsible to address this new concept of disruptive leadership. Learn more about the leadership competencies required to face digitalization, global markets, rapid innovation, a "VUCA" world (Volatility, Uncertainty, Complexity, and Ambiguity, 2008), and how to practice emotional intelligence.

**Keywords:** Disruption, innovation, disruptive leadership, leadership, VUCA, volatility, uncertainty, complexity, ambiguity, competencies, globalization, emotional leadership, digitalization, change management, business transformation.

## INTRODUCTION

A term that has emerged to describe strategy in current times is "disruptive." On the corporate front, here is a call for leaders who can upset or disturb the state of an organization in order to cause aggressive innovation, change, and transformation to survive or grow. And with increasing national and global tensions in governments and the environment, the notion of leadership during unsettling times gives rise to leadership OF disruption. In either case, leaders cannot be successful following a standard formula of behaviors proffered in the past.

Disruptive strategy challenges traditional leadership competencies. Disruptive leadership calls for leaders who envision boldly, think innovatively, and listen intensely to the needs of customers and employees. In some markets, leaders have to look to emerging needs that have not yet been defined or embraced and take risks to advance.

Does it sound like nonsense or a trend? Those who seek predictability and consistency might think so. The powerful implication is that leaders must develop and strengthen innovative and intuitive competencies in order to support a disruptive strategy and lead through turbulent times that may describe the world for years to come. Some of the most traditional companies and industries are changing expectations for its leaders. The new Chairman of the Board of Danish shipping magnate Mærsk, Jim Snabe, a contemporary leader when it comes to leadership, shared his insights a recent interview. He noted that Mærsk is known by its values for being old fashioned. The motto in Mærsk is "do the right thing right and thoroughly." He came from SAP and is Chairman of the Board of Siemens. Mr. Snabe claims that the condition of operating a business today calls for agility, innovation, intuition, belief and trust in your employees through delegation, involvement of others in decisions, and courage to make hard decisions.

### What is the new "disruptive" style of leadership?

Markets, technology, production, workforce have always changed. That is not new. What is new? It is *harder for leaders to predict or anticipate* the next step or initiative, coupled with the *rapid acceleration* of the time for innovation and change to take place in markets and the organization. Pressure to constantly innovate products and processes and to disrupt cause continual cycles of transformation and is a dramatic change for many organizations in process, technology, workforce, and operations. Experience and history does not offer solutions to the complex and new twists that arise in business. Solutions are often discovered by preparing leaders across the organization to be adept, innovative, and intuitive. And, in turn, they can enable employees, customers, and suppliers to become a part of a powerful system of innovation and change that results from disruptive leadership.

### Why is the future so unpredictable and even harder to understand?

Four factors influence the challenge: market, technology, strategy and workforce.

1. Rapid expansion of new global markets and player: Asia, Africa, Central and South America are new populations of customers who are fast movers because of the next two factors.

2. Development of new and rapidly evolving technologies (digitalization, social media, artificial intelligence, drones, self-driving vehicles, robots, etc.): there is intense competition to gain access to markets and customers. The middle class in these areas has become more aware and educated that, in turn, increases demand for services and products. If existing industries cannot deliver, entrepreneurial producers will emerge in these regions.
3. The pace of change: expansion of markets and digital evolution cause the redirection of strategy for organizations. Leadership's ability to constantly examine the strategic direction and adjust according to conditions requires courage and creativity. Companies in many industries already have adopted disruptive strategies that create the path for rapid change in organization, products, processes, markets, or technologies. As far back as the late 1980's and the internet revolution, companies like Digital Equipment Corporation (Schein, 2003) which at one time employed over 100,000 employees hesitated to embrace the desk top computer and the importance of software. In a very short time, the corporation melted into oblivion. The pace of change is now magnitudes faster.
4. The changing expectations and capabilities of workers and consumers: changes in education level, needs, and expectations force businesses to adapt strategies quickly. Social media-driven communications expose both workers and consumers to ideas and options that quickly generate mass demand for change. The span across multiple generations of workers and consumers also requires varied responses from businesses. Mobility, flexibility, fast-cycle development, challenging tasks, balance between work and private life are factors that that workers expect in different ways to satisfy needs of up to six different generations in the workforce: Generation Z newcomers (born 1996 and later), Millennials and Generation Y (born 1977-1995), Generation X (born 1965-76), Baby Boomers (born 1946-64), and in some cases Traditionalists (born 1945 and before).

#### What are attributes of disruptive leadership?

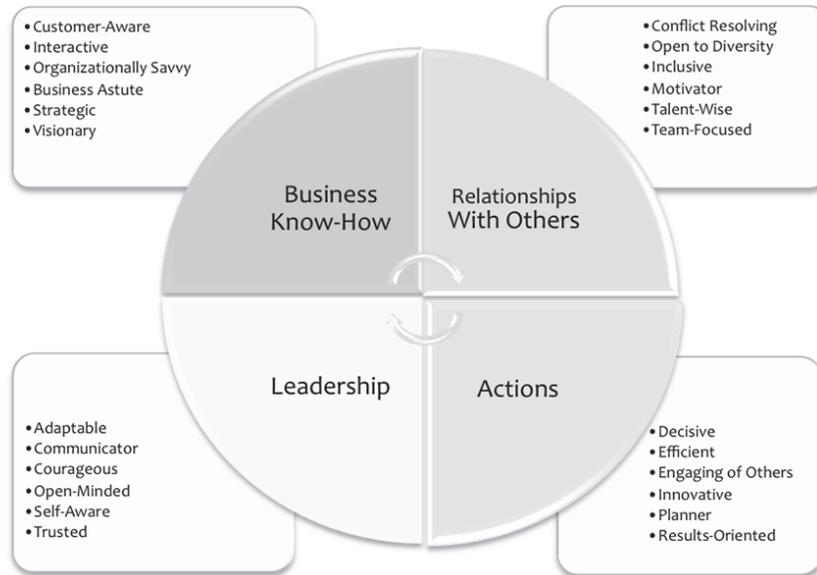
To envision the disruptive leadership style, consider these models. The basic four components of leadership are fundamental, explained as follows:

1. A leader brings past-acquired skills and knowledge in their backpack, essentially their *expertise*. Depending on the level and function, the desired *business know-how* may vary.
2. The *actions* taken by leaders are the driving force for progress. Most leaders take actions based upon the business conditions and often are shaped by the knowledge and experiences they have collected throughout their career. The action can be to defer or delegate to others or to apply their expertise such as leading implementation of lean manufacturing, using an enterprise-wide system, or market expansion based upon product / process knowledge. Decision-making styles can emerge as inclusive or commanding, maintaining or expanding, or other practices which have an impact on the organization's future.
3. *Leadership* is how you bring your personal traits and values to life. Leaders are thought leaders who are strategic and communicate prolifically to all stakeholders in an organization's success. The style is often the result of character, experience, industry, self-awareness, and developed competences.
4. The role of a leader presumes that he/she leads *people* – employees, other leaders, and partners. Their interactions, or *relationship with others*, are representative of the goals and values of the company. Leaders influence both internal and external people such as customers or clients, shareholders and the public to produce and acquire the products and services that enable success.

#### THE COMPETENCY GAUGE™

We have developed a gauge for leadership consisting of 24 competencies and a development plan. The Competency Gauge™ allows for variability by company needs and can be used at all leadership levels. There is a facilitated process to build a competency footprint that reflects the business strategy and informs leaders how best to expand their innovative and intuitive competencies. In concert with a strong change management approach, the adopted attitude is Carpe Diem. Carpe Diem [LATIN] “Seize the Day”: trust in intuition; learn how to target intuition towards innovative opportunities; and lead continuity through disruptive innovation; an aphorism found in the Roman writer Horace's Odes.

**Figure 1: The Competency Gauge™**



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**How do leaders work in concert across roles to exert disruption?**

This model demonstrates how competencies translate into the roles and responsibilities that leaders have across the different levels of the organization:

**Table 1: Roles and Responsibilities**

**Responsibilities in the Face of Disruption**

How do leaders work in concert across roles to instigate disruption?  
 This model demonstrates how competencies translate into the roles and responsibilities that leaders have for disruption across the different levels of the organization:

| Leadership level  | 1 - Team leader<br>Manage operations, manage team, and develop employees | 2 - Director/VP<br>Provide structure and goals to implement strategy and lead Team Leaders | 3 - Top Mgt. (C-level)<br>Formulate / adjust strategy and lead Leaders |
|---|--|--|--|
| Strategy creation - thinking; applying business know-how to disrupt                                 | -  | -  | <b>P</b>   |
| Strategy formulation – determining what actions can be taken to disrupt                             | -  | <b>S</b>   | <b>P</b>   |
| Strategy implementation – leadership skilled at leading disruption                                  | -  | <b>P</b>   | <b>P</b>   |
| Relationships with others – competence to lead change and motivate stakeholders to accept new ideas | <b>P</b>   | <b>S</b>   | <b>S</b>   |

P = Primary responsibility; s = Secondary responsibility; - = no significant responsibility

Waves Partners™ Roles & Responsibilities ©2017

**What kinds of expectations are there for disruptive leadership at the different levels?**

**Team Leaders (level 1):** at this level, the most important function is to understand the structure and goals for the company and to motivate, delegate, and inspire employees to perform accordingly by change management.

How can team leaders undertake disruptive actions?

- The workforce consists of five generations from teens (Z) to traditionalists over 70 years-old. They have very different expectations about the tasks they prefer to perform and how they are motivated to do so. The interactions they seek from the leader in performing the task can vary greatly. The team leader has an opportunity to view the structure, tasks, and roles of team members in creative ways that maximize worker performance.
- The workforce has diverse cultural norms and ethnic backgrounds that often make it difficult to conform to a particular way of doing things. If team leaders develop the capabilities to be open-minded and culturally aware, adapting to such variety can enhance creativity.
- Digitalization increases the opportunities that team leaders have to effectively use new technology to disrupt processes. The challenge for team leaders is to embrace technology without demotivating employees and increasing dissatisfaction among employees.

**Directors / Vice Presidents (level 2)** lead *implementation* of the strategy. Leaders at this level are those who must translate a new or adjusted strategy into a structure and process that correlates with their functions. When reality is more unpredictable and changes faster or diversely, this level of leadership has to adapt quickly and implement changes in a trustworthy way. These leaders must be able to understand and execute the new strategy as well as communicate clearly why changes are needed and motivate others to respond.

What are disruptive opportunities for the senior level of leaders?

- They must be experts in implementation and be able to translate strategy quickly into operating plans.
- A high level of trustworthiness and personal integrity is critical to execute changes that result from strategic disruption. Because of this level of leadership's position between the strategy-makers at the top and the hands-on producers, they are the conduit for change and must have dual competencies for influencing up and down. As a result, they might have to react neutrally toward new ideas as well as take risks and have the courage to disrupt standard ways of operating.
- The middle ground they hold requires that they listen 'downwards' and 'upwards' and have courage to say either yes or no in either direction. Directors and vice presidents can also lead in the state of disruption through collaboration and ideation that transcends all levels.
- The actions taken by this level require an analytical process. They balance constructive critique from all angles and decide independently how to act based upon the credibility of the critic. These leaders often act on intuition as well as parameters set by data and facts.
- Because of their place in the organization, these senior leaders are well positioned to adjudicate innovations that disrupt current practices effectively.

**Top Leadership – C-suite (level 3)** designs and formulates strategy. Leaders at this level are often constituted as group management across all the business functions. Their roles include the responsibility to oversee the business as the ultimate leadership. They are in a continual search for new partners, opportunities, markets, and business models that actualize the strategy of the organization. These leaders assume ultimate accountability to the governing board for the organization and shareholders at all levels – customers, employees, partners, investors, and the community.

In what way do top leaders embrace opportunities to disrupt?

- The most accountable leaders can develop their competencies to be business- and innovation-agile. The ability to look beyond past and current success formulas, seek new paths and products, welcome the possibilities beyond what is familiar, and prepare stakeholders for changes are actions that can propel an organization forward.
- While leaders sometimes can become mired in decisions that generate today's performance, it is incumbent on them to be curious about the future and perhaps the unknown. Imagery often portrays the senior-most leaders on the top of a mountain that is intended to give them the vantage point to view far ahead on the horizon. Metaphorically, that peak may include the abilities to see, imagine, hear others, intuit and eventually translate into the future for the organization.
- A good top-level leader is also an excellent communicator who articulates the future and enlists the support of the functional experts to build a strategy to move forward.
- Given the need to go beyond organizational comfort-zones with innovation, a successful disruptive leader knows how to be courageous enough to confront risks associated with uncertain changes and destinations.
- Senior leaders are the outward-facing members of the organization. They are the bridge to the future and to all who benefit or lose because of the organization's existence. These leaders not only create the values, they model the values, behaviors, and transactions that define the business. In the face of disruption, the top

leaders have to be cognizant of either maintain values in the face of change or redefining and adopting behaviors that can accelerate business performance in the new direction. The most successful executives are those who are truly passionate about the purpose of the business and can motivate others to join them.

### **What competencies prepare leaders for unpredictability?**

When we set out to drive in a vehicle to a pre-determined destination, there are rules of the road to minimize unpredictability. Signage, speed limits, operating techniques, regulations, and courtesies help most drivers anticipate actions. On occasion, uncertain weather conditions, erratic drivers, or other incidents distract us from what we expect. Leaders of businesses are more like the earlier explorer undertaking an unmarked route with no idea of what lies ahead. Decisions are made in the moment with both analytics and intuition determining the path forward.

Leadership competencies that arise as critical to the exploratory path forward include trust – of you and you of others, flexibility – change in the moment, agility – conditioning to adapt quickly, communications – thinking fast on your feet, courage – transparency and thoughtful judgment when confronting the unknown, as well as self-awareness – knowing your own strengths and limits, and openness - to new ideas and learning. While these competencies are considered a prerequisite for leaders to become role models and motivate people during times of innovation and change, they are also among the most difficult to develop and measure. In a period with a lower level of predictability, leaders can seek to develop and master the following competencies.

#### *In relation to workforce*

1. Involvement: inclusion of input and competence of others in decisions
2. Emotional Intelligence: consideration of culture and emotional impact on others
3. Talent capture: recruitment of creative and resilient employees
4. Change management: guidance for successful adoption of changes by employees

#### *In relation to organizing work*

1. Creativity: development of systems to encourage creativity in all functions
2. Systems: design for efficient ways of organizing work
3. Digitalization: implementation of digital processes and models
4. Change management: instillation of a mindset that change is a constant occurrence

#### *In relation to strategy*

1. Agility: cultivation of mood, psyche, and tools to shift strategy fast
2. Intuition: trust of intuition and as well as facts and data
3. Assimilation: capture and analysis of input from sources to certain direction
4. Change management: inclusion of time and change management practices in the strategy

## **PREPARING FOR DISRUPTION**

Things are changing fast - incredibly fast. What was impossible yesterday is possible now. Markets, which were of no interest yesterday, are valuable now. The waves of commerce once flowed west to east. Now, with changes in China and Asian countries, the waves of commerce also travel east to west. Citizens in cities with millions of people in the west are able to buy ‘whatever’ they need or want. The United States, once a central supplier, is in a transition with a new, less global political administration. In Africa, the potential for business is growing south of the Sahara where the middle class of people is growing with a better-educated population. In cities with millions in China, the demand for goods and services continues to rise. If the western industries cannot deliver innovatively, customers – in-need in Asian countries will lose no time entrepreneurially doing it by themselves.

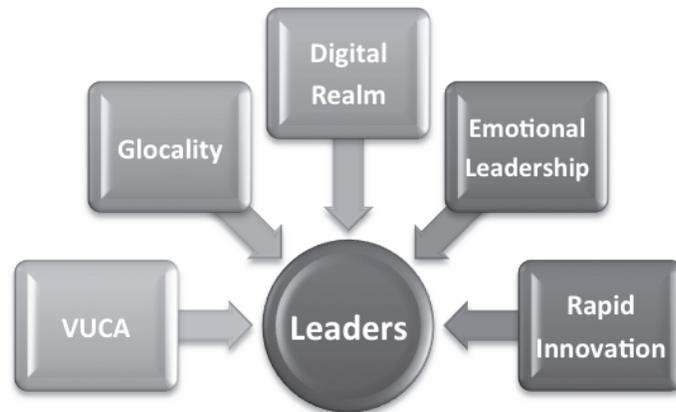
### **Change Management, change management - again.**

What is constant across all levels of responsibility and aspects of the strategy, the one consistent competency is “change management.” Change management starts with each individual leader – the ability to adapt to new circumstances quickly and act as a role model. The need to transform continues beyond the individual into the organization that calls for a systematic way for change to be managed in all functions in the organization and to be adopted by others. Without change management, disruption will be chaos rather than opportunity.

The underlying causes of disruption are the leadership levers for managing change. The described currents summed

up include these five areas of focus that rely on the competencies identified above: be prepared for VUCA, envision business on the dual scale of global and local impact, grasp the digital realm and its impact on the specific business, cultivate the capability for emotional leadership, and create strategy imbedded in a work environment that encourages rapid innovation.

**Figure 2: Major Challenges Facing Corporate Leaders in 2017**



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### **CARPE DIEM!**

The Waves Partners have been teaching students who seek to be leaders and managers in industries around the globe for decades. The evolution towards the leader for the mid-21st century needs an array of capabilities including business savvy, creativity, innovation, change, collaboration, self-awareness, emotional intelligence, and inclusion of multi-cultural and multi-generational workers, customers, and stakeholders. Keen awareness of opportunities, competition, and all other facets of business are reflected in the Latin charge: Carpe Diem! Seize the day and the opportunities and needs for the future!

According to research by consulting firm KPMG, businesses that aren't thinking about transformation are all but irrelevant. Business transformation can mean everything from a major shift in IT systems to a large-scale innovative construction project or changes to business models and product designs. - Forbes Insights (November 2014)''

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