



Leadership as a Human Resources Risk

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Massmart + Walmart 



Definition of organisation: living field of collective intelligence of individuals who contribute to the organisation / conscious entity through which intelligence flows





Context

- To understand the significance of Leadership as an HR risk, it is critical that we consider the future that we seek for people in our South African context today. Organisations don't operate in isolation from our socio-political context.
- The potential for organisations to contribute to the transformation of the country at the deepest societal levels cannot be underestimated (development of people; partnering with Government on social compact; employment; social investment; role models of societal change in terms of diversity and inclusions as well as capacity building).
- Through excellent leadership we help build better society.



Context (Cont.)

- Organisations exist as much to provide meaningful work to people as to provide a product or service to the customer / beneficiary.
- In this context leaders are required to make clear strategic choices regarding the expected role people must / should play in the organisational strategy and its execution in making and keeping agility to navigate the myriad challenges.
- It's all about the people – “where two or three are gathered there shall be a need for leadership”.
- To consider the risk ineffective leadership poses to an organisation, it is relevant to consider leadership in its positive most effective sense first



Effective Leadership

At a strategic level in business or non-profit, the role of leaders is to deliver improved results year on year and to ensure Executive team effectiveness.

Companies will know they have arrived when they can answer two questions:

1. Is your human capital more valuable than your competitors?
2. Has your human capital improved year on year?

These questions highlight the risk to an organisation when Leadership fails to discern that their role is simply put: **ALL ABOUT THE PEOPLE.**





Effective Leadership (Cont.)

Close alignment is required between organisational strategy and all people systems / processes.

Support of leadership to the people strategy AT ALL LEVELS is critical for its successful implementation. Consider all elements of people strategy:

Calibre & Talent

- Grow the talent pool in critical roles to ensure key position excellence.
- Select, assimilate and retain key talent.

Leadership Effectiveness

- Executive team effectiveness.
- Leaders who deliver improved results year on year.



Effective Leadership (Cont.)

Organisational Effectiveness / Change Agenda

- Focus internal culture on meeting needs of external customers.
- Drive organisational values / culture.
- Improve employee engagement.
- Rewards and recognition.
- Transformation.

Organisational Integration (Applicable During Mergers & Acquisitions)

- HR Maturity Model (to determine disparities).
- Align compensation and benefits.
- Implement culture change / process change initiatives.
- Data availability (HRIS).



Effective Leadership (Cont.)

Employee Value Proposition

- Workforce performance.
- Performance management for enhanced productivity.
- Employee relations.
- Learning & development.





Contemporary Leadership Challenges

- Complexity.
- Hyper-turbulent conditions of new world order.
- Leadership and diversity.
- Gender issues.
- Cultural issues (particularly for global companies).
- War for talent (global).
- 70% of intangible resources are in the people of an organisation – people are centre stage in ensuring the future sustainability of organisations.



Risks

- So there can be no greater risk to the success of any organisation than dysfunctional leadership.
- Leaders who cling to the status quo (in the context of a requirement for change) when it isn't working have damaging effects. The more senior the leader the more far reaching the effects. But we cannot overlook the damage that can be done through middle management that fails to adopt the required organisational ethos.
- Unless organisations (leadership) learn / teach faster than the velocity of change then the organisation will not be sustainable – this speaks to the need to become learning organisations.



Risks (Cont.)

- Personal dysfunctions of leaders frequently become organisational dysfunctions.
- Again this occurs at all levels but the consequences at senior levels include: collusive interactions, unrealistic organisational ideals, toxic corporate cultures, neurotic organisations, faulty patterns of decision making, motivational problems and high rates of employee turnover.





Risks (Cont.)

- Organisational leaders are constantly being observed – apparent innocuous actions can have dramatic consequences particularly with regard to labour. Poor leadership in this domain has disastrous consequences for organisations and society as a whole e.g. Marikana
- Important to note that dysfunctional leadership permeates the entire organisational landscape that coalesces into self-reinforcing patterns (vicious vs. virtuous cycle)



Leadership is neither a science nor an art; it is a state of consciousness. Conscious leadership follows three fundamental processes. The first of these is recognition of potential. The second is empowerment of potential. And the last but not the least is unfolding this potential through collective action. Recognition of potential requires an eagle's eye for details; empowerment of potential requires a lion's heart for sharing power; and the capacity for collective action requires the perseverance of an ant.



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