



Snapchats for Boards

by TPA Global

Leadership in Control for Boards



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Authentic and dynamic organizations with the appropriate self-control will combine high performance and high impact and will set the norm for competitive leadership.

1. What is leadership in control and how does it affect multinationals?

80% of the value of a company is not shown on its balance sheet. Approximately 75% of this value creation is done by people. Agility, ethics, inspiration and engagement of people are key to maintain a company's competitive edge. This calls for self-control and authentic behavior, i.e. a leader allowing his people for making up their own mind and decisions. When asked, over 80% of CEO's do not have a clear recipe how to allow the people self-accountability, and still be in control. Leadership in Control addresses these two issues: to stay in control as a leader while developing and implementing a self-control approach for your people.

1. **Agility.** Society has become increasingly complex, which results in more unpredictable situations that cannot be controlled in a linear way anymore. This sets the scene for dynamic strategies and organizations, and requires control of dynamic processes. Society increasingly allows new entrants and a broad variety of specific and immediately available solutions. Technology enables instant behavior and local solutions: Internet allows transparent and instant communication, e-printing and 3D printing allow local and individualized production. Finance barriers are lowered through international and crowd funding. A broad variety of new competitors enter the market. New competitors are often disruptive in multiple ways: they come up with brand new solutions and new forms of distribution, they address customers on authentic needs, they are transparent, they are driven by younger people without a prevailing need for money and status. These driven young people are new entrants in society and are not restraint by invested interests.

Traditional companies have invested interests and often found their competitive advantage in a dominant market position and dependent mass behavior of their people directed by the company's political rules. These companies created implicit rules not to break the company's dominant power position, which made their people followers rather than authentic, powerful and autonomous.

People are only able to stay in touch with their leader and strategic and operational dynamics, if they are allowed to be authentic. Authentic people are less biased and do not in the classical way 'obey the leader'. Their free mind allows a natural attitude resulting in flexible and pro-active behavior, which allows such people to be agile to divergent client needs and emerging strategies.

2. **Ethics.** Recent developments show that CEO's positions may be at stake and that companies may suffer severe losses or even bankruptcies when they are not run in an ethical way. VW's CEO retreated after the reporting of wrong emission figures; the company's trustworthy image is at stake with a financial damage estimated over 30 billion euro's. Various banks were nationalized after running uncontrolled risks. The

public drive for transparency lets non-ethical behavior become more visible for a wide range of stakeholders. Are you still ruled by prohibitive implicit rules? Do you know how transparent explicit and implicit rules could prevent reputation damages, both for companies as for CEO's?

3. **Inspiration and engagement.** People increasingly want and demand engagement and 'being inspired'. This is true for both business relations and employees. A client does not like to buy anymore when he does not feel authentic engagement. A client does not want to be an object of somebody else's interests or profit anymore. A client wants to be the subject of being understood, treated and served well. Employees want to be recognized for who they are and for their intentions to add value to the enterprise. They want to discover themselves and to have the freedom and space to enhance themselves in their professional environment. Moreover, in times of dynamic and disruptive strategies companies want to have engaged and inspired people. When people are not engaged they miss the vital energy needed for adding value and connecting to others. And when people are not inspired they miss the twinkling light in their eyes and the energizing and attractive smile on their face.

2. What are the practical implications of self-leadership to you?

Authenticity is the simple key to address and solve all of these issues.

- When people are authentic they are autonomous, they are fully aware of their environment, and they know exactly what to do and how to behave in ambiguous circumstances. They carry an agile attitude when they follow their authentic intelligence;
- When people are authentic they want to be honest. They will automatically become ethical;
- When people are authentic they do not block their own resources and energy and they are willing to enhance themselves to increasingly higher levels of engagement, inspiration and thus performance and impact.

The immediate lessons are:

- Dynamic, disruptive and exponential strategies allow no delay-time or space for inadequate people's processes not leading to authentic autonomy and agility;
- Transparent and honest implicit and explicit corporate rules safeguard ethical behavior, which prevents a company is running reputational damage;
- Leading your people and being in control of authenticity is the key to creating and maintaining corporate value.

3. Boardrooms “people agenda” of disruptive and surviving companies

The list of ten questions provides structure to an engaged dialogue between board members.

The list of questions on self-control and ‘people’:

1. Are we simultaneously agile and in control? Are we in control when we allow people self-control and authenticity? Do we have a dynamic strategy? Do we incorporate emerging strategies into our dynamic strategy and operational decisions?
2. What is the opportunity cost being not authentic and transparent, e.g. missed revenues or running non-sustainable business models? VERSUS What would be the investment to create and maintain an authentic culture of professionals? To what extent would this benefit the enterprise and shared value?
3. Are we afraid of being transparent with all relevant stakeholders without reservations? For example, when sharing the employees’ bonus allocation.
4. As a result of public transparency, will there be a risk that the firms’ name will be on the front page of any newspaper on disgruntled employees or unethical management? If so, please quantify the probability and what the board, line management and in-house HR is doing to mitigate such risk.
5. Do we create a culture and control the rules that define authentic engagement, ethics and feedback? Is our sustainable culture and way of working truly imbedded in our organization, or may any new CEO destroy the value that has been built over years?
6. Do we run controversial business schemes relating to professionals’ know how or sales approach based compensations?
7. Does HR and line management have different faces in contact with employees and their higher in rank?
8. Are compensations to all business relationships, employees and other stakeholders aligned with their ‘value creation’ to the firm’s value chain?
9. Do we incorporate authenticity in our strategic enhancement and realization of our workforce? Do we have a source strategy: do we incorporate human thrives, inspiration and talents at all levels?
10. Which top 10 countries are most vulnerable from a cultural perspective and how do we handle priorities in these countries?

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