

**JAMES
KOUZES**

**BARRY
POSNER**

WITH MICHAEL BUNTING

EXTRAORDINARY LEADERSHIP

in

AUSTRALIA & NEW ZEALAND



**THE
FIVE PRACTICES
THAT CREATE
GREAT WORKPLACES**

Jim, Barry and Michael have produced a truly enjoyable and highly relevant read on leadership and engagement. Reassuringly, they demonstrate that great leadership is grounded in common sense and humanity. That is consistent with our experience at Virgin. The book benefits enormously from a wealth of real-world examples. It is notable that many of the leaders whose experience is referred to are not CEOs, but rather people at all levels of a variety of different organisations who have faced the challenges inherent in successfully leading people. It is axiomatic that successful leadership results in high employee engagement. In purely commercial terms, engagement creates a sustainable competitive advantage. It also acknowledges the broader role of business in the community to develop people to their fullest potential. The authors have produced a work in an Australasian context that identifies universal rules that will be of value to all people managers who want to take on new challenges or refresh their approach to achieve more.

—Josh Bayliss, CEO, Virgin Group (Worldwide)

I have been using The Five Practices framework to develop my executive and managerial students' leadership skills, and in the past I had to make the necessary adjustments to connect those practices to the distinctive elements of leadership in the Australasian region. Happily, this new book makes those adjustments for me, offering many useful examples that connect directly to my students' experience. The framework is now even more relevant and appropriate for Australasian students and practitioners.

**—Arran Caza, Associate Professor of Management,
Griffith Business School**

I am delighted to see The Five Practices of Exemplary Leadership brought to life and embedded in our historically and geographically distinctive Australasian leadership context. This classic and globally practised approach to leadership has stood the test of time in the

way that many others have not. The exemplary leaders that are liberally featured in this book provide compelling evidence of the power of this framework as it has been applied to a wide range of organisations within Australia and New Zealand. This book should become a compulsory mainstay of the leadership libraries of both emerging and established leaders from all sectors of the economy.

—**Professor Brad Jackson, Head of School of Government,
Victoria University of Wellington, New Zealand**

The authors effectively demonstrate that great leaders can be made, not born, if only they take their people on the journey with them. These five principles are compulsory reading for all prospective leaders and for those seeking more sustainable success.

—**Mandy Johnson, author of *Family Village Tribe* and
*Winning the War for Talent***

What an absolute delight it is to read this new take on the classic *The Leadership Challenge*. There is no doubt that when it comes to leadership, culture really matters, and Jim, Barry and Michael have written the definitive guide for those in Australia and New Zealand. With fresh local examples and case studies, this is a must-read book.

—**Dr David Keane, author of *The Art of Deliberate Success***

A remarkable piece of work for Australasian leaders! Many books on leadership set about describing strategies for leaders to implement to achieve extraordinary results. What this book does is it takes things one giant leap forward by embedding those strategies within the unique Australasian leadership context. In doing just this, Jim, Barry and Michael have provided all Australasian leaders with something that has been truly lacking for some time. A must read for all Australasian leaders.

—**Professor Gary Martin, CEO, Australian Institute of
Management WA**

This book provides essential cultural intelligence on the distinctive challenges of leadership within Australasia. Drawing on extensive experience working in the region and a wealth of original data, two of the world's leading authorities, Jim Kouzes and Barry Posner along with Michael Bunting, provide fresh insight and compelling conclusions. This is storytelling at its best—direct, honest, unassuming and intensely practical—just the way Australians and New Zealanders like it.

—**Martyn Newman PhD, author of *Emotional Capitalists* and co-author of *Emotional Capital Report (ECR)***

This book is valuable for leaders at all levels to understand the fundamentals of succeeding in leadership, especially in the context of Australia and New Zealand culture. I also recommend it to successful Australasian leaders making an international move, in order to gain self-awareness of what has made you successful to date, and which aspects you may need to play differently in a new culture.

—**Charlotte Park, Partner and Managing Director,
Mercer Singapore**

This book is both a testament to exemplary leadership in Australia and New Zealand and a practical guide to improving your own leadership. I couldn't help but feel a sense of pride reading all the examples of local leaders embodying The Five Practices of Exemplary Leadership. But we can't rest on the leadership laurels of the few. The authors challenge all of us to step up and become the CEO in our sphere of influence—with practical guidance that has stood the test of time on how to get there. It's a must read.

—**Dr Michelle Pizer, Executive Coach, Organisational and
Counselling Psychologist**

This book is important and reminds us that leaders need to bring out the best of themselves to bring out the best in others. Too often leaders forget the real purpose of leadership and get lost in the details and data. The authors succinctly show the way for leaders to get extraordinary things done in Australasia.

—**Luke Sayers, CEO, PwC Australia and
Vice Chairman, PwC Asia**

This book illustrates why leadership is so critical to the success of our organisations today. It succeeds in illustrating the ‘business case’ for leadership development and is a must read for anyone serious about improving their leadership culture and their bottom line results.

—**Jane Sherlock, Executive General Manager—People,
Leighton Contractors**

At last! Stories from Aussie and Kiwi leaders for Aussie and Kiwi leaders crafted around an elegantly simple and profound model of leadership. The authors set out to guide us toward ‘greater heart, greater wisdom and greater effectiveness’. They have delivered admirably.

—**Dr Mark Strom, business philosopher and
author of *Lead with Wisdom***

A great read for all leaders operating in the Australasian region. The authors have brought to life The Five Practices of Exemplary Leadership with examples those of us in the region can relate to. They argue persuasively that leadership matters as does the context in which it happens. Read and reflect, and your leadership will be better for it.

—**Professor Chris Styles, Dean, UNSW Business School**

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Introduction: *The Leadership Challenge* in Australasia

Michael Bunting
Founder of WorkSmart Australia

AFTER 21 YEARS OF ADVANCED psychological and mindfulness study and practice, starting and running three successful companies, coaching and training thousands of people, and a lifetime dedicated to learning and teaching leadership, the greatest lesson I've learned about leadership is this: it is profoundly difficult to lead really well. And after more than a decade of coaching and training leaders in Australia and New Zealand, I can tell you this: leadership in our region poses unique cultural challenges.

This is true for many reasons, not the least of which is the 'tall poppy syndrome', which permeates the culture and goes a long way towards explaining why Australians and New Zealanders tend to

mark their leaders 13 to 20 percentiles lower on leadership assessments compared to what's reported around the globe.¹ According to *The Australian National Dictionary*, a tall poppy is, 'a person who is conspicuously successful, frequently one whose distinction, rank, or wealth attracts envious notice or hostility'.² *The Penguin Book of Australian Slang* describes a tall poppy as a 'very important or influential person, or person with status, often held in contempt by others who try to bring about this person's downfall or ruin'.³

Australians are fiercely egalitarian. This is evidenced in many ways, including the informal way of speaking with each other across hierarchies. In a famous example, when cricketer Dennis Lillee met the Queen of England, he greeted her with a handshake and a friendly, 'G'day, how ya goin'?'⁴

New Zealanders also prefer an approach that is less hierarchical. As Rodger Spiller—a colleague and expert in New Zealand leadership—explains, Kiwis often want 'a more collaborative, inclusive, and participatory approach with engagement and real consultation rather than strict autocratic and bureaucratic leadership with dictatorial edicts'.⁵

Consequently, the worst thing Australasian leaders can do is to 'pull rank'—that is, to assert authority based on title or position. It's counter-productive. The managing director of one of my Australian clients, for example, told me a story that illustrates this point well. When his company tried to implement customer-relationship management software for its sales force, it met with a lot of resistance. It required considerable time, effort and a change in management skills to get this done. It was a major project. But when the company went to a country in Asia to do the exact same thing,

it was done in an hour. Everyone in that vastly different culture simply accepted the mandate from the top and got on with it.

In many ways, the Australasian attitude is actually a good thing: it means leaders must lead on the basis of authentic values, skills and behaviours, rather than simply depending on their title to get things done. In short, Australasian leaders must actually lead and serve, rather than issue commands and expect that they will be routinely followed. They must *earn* their leadership authority, rather than having it bestowed upon them by virtue of their position.

On the other hand, this way of thinking also means that, simply by virtue of holding a leadership position, you probably have one strike against you. In *every* culture, respect and trust certainly have to be earned. But in few other places in the world will you find such an active distrust towards people in leadership positions. So here, not only are you struggling with the fundamental leadership challenges that every leader in every culture faces, you are also struggling against a deeply ingrained cultural bias.

This cultural bias has its roots in Australia's history as a convict colony. In the founding era, convicts were treated incredibly cruelly and deprived of their basic human rights by authorities. Members of the convict class were prevented from serving in civic positions, which were reserved for the Exclusives (non-convicts). They were also excluded from receiving land grants offered to free immigrants. Australia became an egalitarian society because its second-class citizens refused to accept that they were in any way inferior.⁶

Two more sad chapters in our history are worth mentioning: the Stolen Generations and the Forgotten Australians. Between 1909 and 1969 it was the government's policy to forcibly remove Aboriginal children from their homes and families. It is estimated

that 100 000 children were removed in this period. Geoff Aigner and Liz Skelton write in their book, *The Australian Leadership Paradox*:

[t]he nation which began through a process of ‘forced removal’ by authority in the United Kingdom in turn forcibly removed Indigenous children from their families and Indigenous people from their own land. The jailed whites became the de facto jailers of black Australia. Abuse of power and authority lingers like a ghost and has repeated over time and culture.⁷

The Forgotten Australians are the 500 000 children who were removed from their families in the UK between 1920 and 1960 and placed in Australian institutions or foster care. Their egregious abuse is well documented. As Geoff and Liz explain:

This failure of authority to fulfil its core role of providing protection, direction and order has been part of the Australian story for a long time.⁸

This explains why people are so sensitive to abuse by authorities. One client company bussed its entire organisation to an offsite company event. At the end of the day they were all supposed to catch the bus back to the office. But a few members of the executive team had arranged for taxis, paid for by the company, to take only them back to the office. I witnessed the dissonance and strife this caused in their culture because this was viewed as a total abuse of authority. We’re not okay with senior leaders acting above others. It compounds the story of ‘us versus them’.

In contrast to this experience, one day I walked into Macquarie Bank to meet with Peter Maher, former managing director of the Banking and Finance Services division, and a client of mine. The bank had created a totally open floor plan using active work stations.

In the middle of the division I saw Peter sitting at a desk. Right next to him, working away, was a junior employee. It made Peter accessible, normal, one of the team. If he needed to make or take confidential calls, there were private rooms he could pop into. This is one of the reasons why he was so loved in his organisation. Now, don't take from this that I'm insinuating that having offices is wrong. That's not the point. The point is that, as a leader, connecting as a human being on equal footing with your team members is crucial.

It's because of our history that we both distrust authority and we are leery of taking on authority roles for fear of how we will be perceived by our peers. When I interviewed Geoff Aigner for his insights into the modern-day challenges of applying leadership practices in our region, his immediate response was, 'It's our ambivalence around power. When it comes to taking on roles of authority or leadership here, people want it and don't want it at the same time'.

Rich Hirst, a director at CEO Forum Group—which provides services to CEOs, CFOs and HR directors leading the Australian subsidiary of foreign-owned multinationals—echoes this:

We don't like to grandstand here and it tends not to be well received by others. This is related to that 'tall poppy' dynamic, an unspoken national ethos whereby those that assume authority risk being cut down to the same size as others. Successful executives in Australia tend to lead more collegially, combining mateship with humility while providing a compelling and clear vision of the future to benefit all.

Obviously, this dynamic creates a dilemma because when people think about providing leadership, and even stepping into official leadership positions and roles, they are hesitant to assert leadership.

They can be reluctant to hold people accountable for fear of disrupting relationships.⁹

It's also interesting to note that Australians on the one hand take great pride in their 'fair dinkum' honesty (we say that we tell it like it is). People are tremendously sensitive to 'bull' or inauthenticity. Yet, paradoxically, there is a subtle cultural norm to avoid confrontation, to circumvent blame and to evade taking personal responsibility, deferring to collective responsibility. Shaun McCarthy, Chairman of Human Synergistics in Australia and New Zealand, provides an example of this phenomenon:

So, if I'm sitting in a meeting with you and I disagree with something you say, I won't always challenge you openly, but I might sigh and roll my eyes. We behave in a way that is non-supportive and non-constructive in an aggressive manner, but we use passive strategies to do it.

In other words, while honesty and authenticity are valued deeply, people often skirt issues or, when it comes to leadership, display honesty in a passive-aggressive way. As Geoff Aigner puts it, 'I think we are more straight with each other when our power is equal (or we think it is). But we have a hard time speaking upwards in hierarchies'.

Exemplary leaders who are sensitive to these cultural issues in our region facilitate honesty by welcoming and encouraging direct feedback from team members. They walk a fine line between being 'one of the mates' and exhibiting strong leadership. As Nathalie McNeil, HR Director for Novartis Australia, explains:

Here you've got to be humble. You have to become part of the team. You know you've arrived here when people 'take the piss