

# The Four Pillars of Blue Ocean Leadership\*

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**To unleash employees' untapped talent and energy, leaders need a strong repertoire of actions, not just better awareness and empathy.**

Most leadership programmes are generally designed to hone the cognitive and behavioural skills of leaders with the implicit assumption that this would ultimately translate into high performance. Leaders are accordingly called on to develop traits like self-awareness, self-regulation, and empathy, for example, all of which require deep self-reflection and introspection to assimilate into a person's being. While cultivating such values are important, when we asked people to look back on these programmes, most reported not seeing a marked change in leadership caliber. As one executive put it, "Without years of dedicated efforts, how can you transform a person's character or behavioural traits? And can you really measure and assess if leaders are embracing and internalising these personal traits and styles? In theory yes, but in reality it's hard at best." In the end, millions of dollars were often spent, excitement was initially generated, but real leadership change did not set in.

**Pillar One: Focus on acts and activities.**

Blue ocean leadership, in contrast, is action-based, just as strategy is. It focuses on what acts and activities leaders need to do to provide a leap in motivation and business results driven by people, not on who they need to be. It's the difference between being asked to be motivating versus being asked to provide those you lead with real-time feedback and best practice lessons that internally motivate and guide those you lead to up their game while feeling valued. The summation of these acts and activities is the leadership equivalent of a company's strategic profile only here the aim is the development of a compelling leadership profile grounded in actions that are easy to observe, measure, and are directly linked to performance. This difference in emphasis has an important consequence for the time and resources needed to bring about a change for high performance. It is markedly easier to change a person's acts and activities, than their values, qualities, or behaviours. Blue ocean leadership, in contrast, is action-based just as strategy is. It focuses on what acts and activities leaders need to do to provide a leap in motivation and business results driven by people, not on who

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## Blue Ocean Leadership Series

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*Blue ocean leadership focuses on what leaders need to do, not on who they need to be, which is far easier to change and has a direct impact on performance.*

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Of course, changing a leader's activities is not a complete solution, and having the right values, behaviours, and qualities is important. But changing acts and activities is something that any individual can do, given the right feedback and guidance.

### **Pillar Two: Connect leadership to market realities by engaging people who confront them.**

We observed that the leadership approaches employed by organisations are often generic and detached from what firms stand for in the eyes of customers and the market results employees are expected to achieve. At one insurance company, for example, call center personnel were tasked with fulfilling customer claims rapidly, while their frontline leaders maintained a hands-off approach to getting the claims department to cut checks rapidly. Call center personnel rightly felt set up to fail, hugely demotivated, and let down by their leaders.

Blue ocean leadership, in contrast, focuses on what makes effective leaders, not in a vacuum but in light of the market realities their organisations confront and their direct reports must deliver on. Blue ocean leadership does not subscribe to a generic approach of common leadership acts and activities much as strategy does not subscribe to the same strategic profile across organisations. Instead people who face market realities are asked for their direct input regarding what acts and activities their leaders do that hold them back and what they need from their leaders but aren't currently receiving to be their best and effectively serve customers and key stakeholders. When people are asked to help define the leadership acts and activities that will make them thrive and are connected to the market realities against which they need to perform, people get the type of leadership they and their organisation need and are highly motivated to share their energy and perform to the best of their abilities. As one employee put it, "I am under constant pressure to produce market results. I need the decisions and actions of my boss to support me to succeed in achieving market results. Currently there is a disconnect here."

### **Pillar Three: Distribute leadership across different management levels.**

While the market realities that organisations face today demand that there should be leaders at every level, the majority of leadership programmes we observed still remained largely focused on the top. But the key to a successful organisation is having empowered leaders at every level. It's an illusion to expect or rely on top management on its own to deliver high performance especially as outstanding service all too often comes down to the motivation and actions of frontline leaders who are often in closest contact with the market.

Executives need to push responsibility down in the organisation so that people on the frontline can deliver world-class service. Organisations need to develop effective leaders deep in their organisation by distributing leadership across different management levels, but that was often not the case.

Blue ocean leadership addresses this need by focusing on distributed leadership, not top leadership. By distributed leadership we refer to leadership distributed at the senior, middle, and frontline levels. Blue ocean leadership sees leadership as needed at all three levels to unlock the ocean of unemployed talent and energy that stretches deep into organisations. It also understands that these three levels are different enough from one another. Each requires a different leadership profile to be effective since each has a different positional power, task environment as well as focus on and interaction with the external environment. The factors that define good leadership are derived by the acts and activities leaders need to take at each level to create a leap in value for both employees and customers. In this way, blue ocean leadership, like blue ocean strategy, is about creating a nonzero-sum, win-win outcome. As we've heard repeatedly, "Almost everyone leads someone, not just the top. But when it comes to leadership, we focus on the top. The truth is 90% of our people don't even have contact with them so how is their greatness supposed to transform our organisation? We need effective leaders at every level."

**Pillar Four: Pursue high impact leadership acts and activities at low cost.**

Leadership practices are all too often seen and treated as something added on to people's regular work. But with secretaries and administrative staff in most organizations already cut back to the bare minimum and the market reality intense, most leaders' plates are already full. Finding the time to do one's regular job is tough enough, let alone attempting to up one's game. So a step-change in leadership strength rarely occurs. Time is just not enough.

Blue ocean leadership recognises this. It breaks the trade-off between impact and cost by focusing as much on what acts and activities leaders need to eliminate and reduce in what they do as on what they need to raise and create to unlock the ocean of unemployed talent and energy to drive high performance. In the context of leadership, high impact refers to achieving high motivation and engagement of people to drive business results while low cost refers to a lower investment of time by leaders, which is their most expensive and limited resource.

Exhibit 1. The Difference between Conventional Leadership and Blue Ocean Leadership

Conventional Leadership Development Approaches	Blue Ocean Leadership
Focus on the values, qualities and behavioural styles that make for good leadership under the assumption that these ultimately translate into high performance.	Focus on what acts and activities leaders need to undertake to boost their teams' motivation and business results, <b>not on who leaders need to be.</b>
Tend to be quite generic and are often detached from what organizations stand for in the eyes of their customers and the market results their people are expected to achieve.	Connect leaders' actions closely to market realities by having the people who face market realities define what leadership practices hold them back and what leadership actions would enable them to thrive and best serve customers and other key stakeholders.
Focus mostly on the executive and senior levels of organizations.	Distribute leadership across all three management levels because outstanding organizational performance often comes down to the motivation and actions of <b>middle and frontline leaders who are in closer contact with the market.</b>
Invest extra time for leadership practices added on to people's regular work.	Pursue high impact leadership acts and activities at low cost by focusing as much on what leaders need to <b>eliminate and reduce</b> in what they do as on what they need to <b>raise and create.</b>

Our research has found that many of the acts and activities that take up leaders' time actually work against them being effective and can even be resented by those below them, not appreciated by those above them, and are an energy sapper for the leaders themselves. By expressly eliminating and reducing these acts and activities, leaders' time is freed to focus on new acts and activities that make a real impact on leading and producing business results driven by people. Without freeing up leaders' time in this way, it is often no more than wishful thinking that leaders will have the time to up their game.

To put blue ocean leadership in action, we adapt the analytic tools and frameworks of blue ocean strategy to the leadership context. The result is the Leadership Canvas, the Leadership Profile and the Blue Ocean Leadership Grid all of which are grounded in acts and activities, easy to understand and communicate and that engage more people in an organization. The tools and methodology point is very important. Without that it is very hard for research to do more than inform but practically address the challenges of leadership development for high performance. The coming articles explore how to apply these tools and frameworks to put blue ocean leadership into practice.

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III. How to see your current leadership reality

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