

BERNARD BANKS:

Can a  
**global crisis**  
alter the nature of  
**LEADERSHIP?**

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It is extremely difficult to define how leaders should best act in such an unprecedented circumstance as the one we have been experiencing for the past year and a half with COVID-19. But there is no question leadership is a topic that must be urgently addressed. Our human development and change management expert, Dr. Yvette Mucharraz, had a conversation with Dr. Bernard Banks, a noted military expert on the subjects of leadership development and organizational change who helped us to summon up the underlying fundamentals of leadership and to get a better view both of how organizations can best steer their leadership and talent through uncertain times and of where they can find a touchstone to keep on developing leadership in spite of the challenging environment.

Bernard Banks is a noted expert on the subjects of leadership and organizational change. As Associate Dean for Leadership Development and Inclusion at Northwestern University's Kellogg School of Management, he is in charge of leader development integration across the school's global portfolio of degree programs. For over seven years, he served in the Department of Behavioral Sciences and Leadership at the U.S. Military Academy at West Point, both as Professor and as Department Head. He also directed the Eisenhower Leaders Development Program, which was jointly designed by West Point and faculty in Teachers College's Social-Organizational Psychology Program in the Department of Organization and Leadership.

Dr. Banks graduated from West Point in 1987 and received his commission as Second Lieutenant in the Field Artillery. In 1991, he transferred from Field Artillery to the Aviation branch, where he got qualified as a Senior Army Aviator, Master Parachutist, and Ranger. He also has over twenty-five years of leadership and management experience in small, medium, and large size organizations, having worked extensively with organizations across all sectors concerning their leader development efforts.

His definition of leadership involves three elements: creating direction, gaining alignment, and maintaining commitment. «If I can understand the direction in which the organization is going» says Dr. Banks, «I align my own efforts

with that, and maintain my commitment to enacting my role in the best possible way, even if I am not in the formal position of authority, the manner in which I [conduct] myself in encouraging those around me to conduct themselves [will constitute] an act of leadership».

There is really no formula for developing leaders, but the task fundamentally requires a conscious focus on developing the whole person. «When we take a look at how leaders actually come to be» said once Dr. Banks, «it is not just because they had a formal title bestowed upon them. It is that they have learned how to operate in such a way that leadership is truly who they are, not just a role they enact». If we ask ourselves about the kind of leadership that will help us steer ourselves out of this and future crises, we should remember what Dr. Banks has been long insisting on: «It's going to take individuals who live their lives as leaders, not just behave themselves as leaders when they are in select roles.»

On that basis, our conversation with Dr. Banks revolved around seven issues that should be considered in the current environment: 1) The unexpected effects of COVID-19 on leadership, 2) the fundamental mission of leadership, 3) the time and place for leadership, 4) the needs of talent under the current circumstances, 5) the lessons learned from the military in relation to leadership, 6) the challenge of fostering inclusion in the post-COVID-19 world, and 7) talent shortage and the war for talent.

#### ON THE UNEXPECTED EFFECTS OF COVID-19 IN LEADERSHIP

Some people have claimed that what we faced due to COVID-19 required a fundamental change to the nature of leadership, but Dr. Banks has pushed back on that assertion, claiming that what is required of leadership, or of people exercising leadership, has not changed, but the context most certainly has. When considering what leaders are

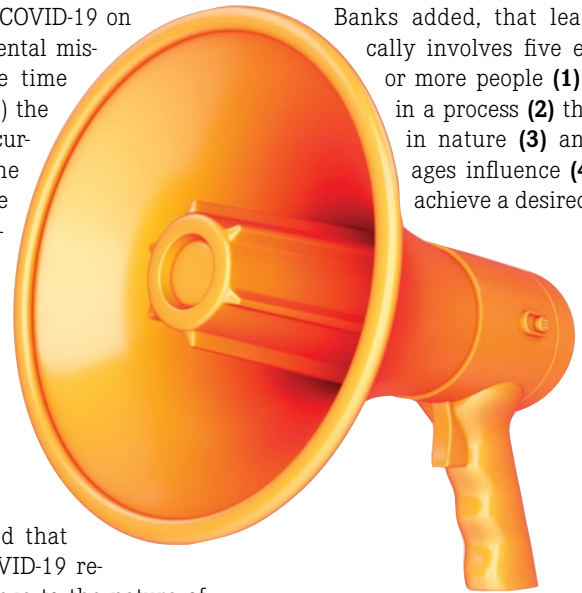
required to foster, Dr. Banks has found a point to what the work of the Center for Creative Leadership has revealed. Leaders are primarily responsible for generating three outcomes: a clear establishment of direction, a clear alignment of people, and a sustained motivation among people within the organization. Leadership is about direction, alignment, and commitment.

«COVID-19 did not change any of those three outcomes», says Dr. Banks. «However, it did change how people went about ensuring those three outcomes were being fostered. The nature of leadership has not changed. It is the context that has changed. I was surprised that there were people asserting that what it means to be a leader had changed. It surprised me that they were even putting forth that notion in the midst of the disruption».

#### ON THE FUNDAMENTAL MISSION OF LEADERSHIP

According to Dr. Banks, the fundamental mission of leadership is always around leveraging influence in service of fostering a desired outcome. A meta-analysis has revealed, Dr.

Banks added, that leadership typically involves five elements: two or more people **(1)** must engage in a process **(2)** that is iterative in nature **(3)** and that leverages influence **(4)** in order to achieve a desired outcome **(5)**.



**Leadership is about direction, alignment, and commitment.**

Interestingly, «of all the definitions of leading that have ever been conceived» says Dr. Banks, «not one says, 'must be in charge'. Leadership is all about influence». When we strip it all away, leadership is about influence in service of fostering a desired outcome. When someone is in charge, he has a certain power basis at his disposal that he can leverage as part of that influence process. But it doesn't matter whether someone is in charge or not, it is still about influence, about how to become more influential in service of increasing the likelihood that the desired aim is achieved.

That is not to say, however, that it is not important to have someone in charge, he warned. Leadership and management are two sides of the same coin, and we need both in order to sustain an organization over time. Managers foster efficiency and leaders ensure that you are driving towards long-term effectiveness. We need competent managers to help shepherd the efficient utilization of organizational resources in time, and we need leaders to help foster the development of the people within the organization and underwrite the experiments that allow the organization to develop new capabilities.

Having someone in charge, Dr. Banks added, most certainly helps with the management piece, because they can direct the allocation of resources. Additionally, being in charge increases the likelihood that you will have the wherewithal to underwrite those experiments that need to take place. There is, thus, a time and a place to tell people, «You are designated as the formal leader» and having formal authority – «what French and Raven called 'legitimate power'»— can indeed be very helpful. But even when we designate somebody as being in charge, we should not marginalize the ability of others to engage in that process of leading. «It is possible to have too many people in charge» warned Dr. Banks, but «it is never possible to have too many people leading well».

#### **ON THE TIME AND PLACE FOR LEADERSHIP IN OUR CURRENT WORLD**

The first element highlighted by Dr. Banks is the fact that the structure of an organization must be reflective of the strategy that organization is desirous of executing. If an organization's strategy is one that people can approach while it provides

greater flexibility to the workforce, people will want to seize that flexibility because it provides a variety of benefits for them. However, if the strategy is one that cannot be enacted successfully while having a highly flexible work arrangement, «then you are going to see friction» he said. There are already people asking, «I have demonstrated my ability to do my job without having to come into the office all the time. Now that restrictions are being lifted, is it required that I come back to the office all the time? Or can we seek out something that is more flexible that affords me greater opportunity to address the varying competing demands that I have on my time while still ensuring that I am doing that which is necessary to make my organization successful?»

That is going to be the challenge for many companies, according to Dr. Banks. It was all physical in the past, but people have now demonstrated the ability to be remote to some extent. Will organizations simply default to doing what they were doing before, or will they leverage the lessons learned over the past 15-18 months in service of sustaining commitment?

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#### **ON ADDRESSING THE NEEDS OF TALENT UNDER THE CURRENT CIRCUMSTANCES**

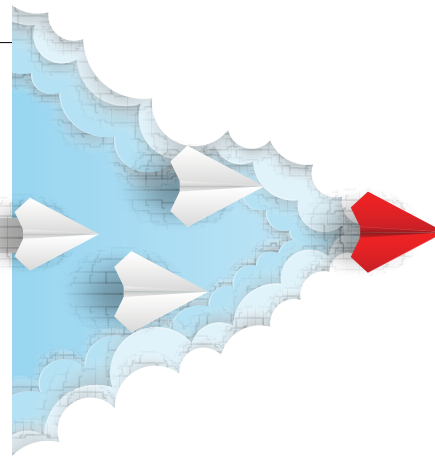
«We had a saying in the U.S. military: Mission first, people always». For those who are put in the formal leadership positions, said Dr. Banks, the first obligation is always to ensure that they are doing that which is necessary to accomplish the mission. However, they must always keep the needs and interests of their people foremost in their minds. Talent has a variety of interests, and «if you want the best talent, then the best talent wants to know that they are going to be empowered to do things and to figure out the how». The best talent wants to know whether they are going to be adequately supported. They want to know that the organization is going to «serve as a vehicle for putting them in a position to win».

The best talent has strongly shown that they will always keep the mission first in their minds, but they also want to ensure they have the greatest amount of flexibility in terms of how they approach their work. Thus, unlike organizations that tend to be very rigid, competitors who are essentially pursuing the same aims but providing their workforce a lot more flexibility will have an advantage.

#### **ON THE LESSONS WE CAN LEARN FROM THE MILITARY TO DEAL WITH THE CURRENT CRISIS**

«In the military» Dr. Banks reports, «we spend a lot of time running through a variety of scenarios, not because we are preparing for that exact scenario, but because we are building capacity in our people. We are helping them to become comfortable with being uncomfortable. We are helping them become comfortable with learning how to iterate rapidly. We are helping them build resilience. And we are helping them understand that we are never going to know everything. In an environment where you do not know everything, do you know enough that you can get started and then learn quickly along the way?».

Dr. Banks believes there are four lessons we can learn from the military to face the current crisis: 1) developing an appetite for accepting risk; 2) developing a greater tolerance for ambiguity; 3) fostering a learning orientation, and 4) recognizing that mistakes will be made. «We learned all those things in the military



## It is not enough just for you to be gritty, but how do you build a gritty organization around you?

routinely» he said, “and I think all those things are applicable to what we are seeing in commercial settings as a result of what has been transpiring in Covid».

Indeed, resilience appears as a very significant factor in these kinds of situations, and it has often been associated with a quality referred to as grit. Dr. Banks referred to the work of Angela Duckworth, who has found that grit is highly correlated with leader success. Some people develop a high level of grit early on in their careers while others try to build it up over time, but the research suggests that the more gritty a person is, the higher the likelihood that they will do that which is necessary to achieve the full measure of their potential, whatever that potential is. However, Dr. Banks warned, «It is not enough just for you to be gritty, but how do you build a gritty organization around you? That is the key».

Dr. Banks agrees with the idea that grit is not the same for everybody. Some people are geared towards becoming more resilient, while others, when they find themselves in a context that they think is just too challenging, do not respond effectively. It is an observation he relates to the Yerkes-Dodson stress curve, where the increase in stress initially leads to an increase in performance, but if the stress continues to build beyond a certain point, performance starts to decline. Leaders are always trying to get themselves and their organization to that optimal phase on the stress curve so that they can perform at their absolute best. However, Dr. Banks claimed, «you have got to build people’s capacity for accepting that stress and using it in a productive way, and the way in which you do it is by progressively exposing them to more and more challenging scenarios». This time, people were «thrown into the fire really fast» and many did not have any opportunity to build up. Some people responded well, he says, «but for others it was debilitating».

Instead of waiting for a major event like this to happen, Dr. Banks recommends starting to build that in a progressive and sequential way, allowing people to work up and absorb more of that over time. «It is just like training for a marathon» he said. You do not start out by going for a 26-mile run. «You start out by going for a

2-mile run. You do that several days, and then you build up to, say, a 3-mile, a 5-mile, or a 10-mile run». You build up over time so that, when the time comes to do the 26-mile race, you have gone through a progressive and sequential process to where you are prepared to do that. The organizations that do a good job of providing people with experiences that are well-defined in scope, Dr. Banks pointed out, «were much better prepared than those that had not gone through a similar process» and thus «felt that they were thrown into the deep end, and they just floundered».

### ON DEALING WITH INCLUSION IN THE POST-COVID-19 WORLD

Prior to COVID-19, Dr. Banks reminded us, there was already significant movement in different parts of the world to force organizations and governments to think more intently about how they were fostering inclusion, because the division between the haves and the have nots was becoming more exacerbated, and it was leading to greater conflict. COVID-19, he claimed, only exacerbated that reality.


«People are now asking whether this is the tipping point for organizations to really change in how they go about fostering greater inclusion. And my response is always [that] it is too soon to say. It could be. But it does not automatically have to be». If we look at classic change theory, says Dr. Banks, change theory asserts that the most difficult part of any change ever is actually establishing the need for change. Accordingly, if an organization still gets access to enough good talent, the fact that it could have more talent does not necessarily mean that it is going to change what it is doing. But, on the contrary, if an organization starts to realize it cannot accomplish its mission and it cannot get access to the people it needs because it is not being inclusive enough, then they will open themselves up to the prospect of behaving differently.

Some organizations might have already hit that point, says Dr. Banks, but others might not.

«It depends on where you are at in the world, what the nature of the work you do is, and a variety of other things». In the classic change theory from Kurt Lewin, creating the realization that change is necessary is known as «unfreezing». According to Dr. Banks, we are at a moment in time where we are starting to see whether the unfreeze has occurred broadly for a lot of organizations with regard to changing how they create inclusion within their ranks.

The research indicates that there are three primary ways in which the unfreezing may take place. One is induction of guilt and anxiety. That is when people say, «If we do not change, here is a raft of bad things that are going to happen». That is something we do not want to incur, says Dr. Banks. Number two is what some call «lack of confirmation» or «disconfirmation». That is when people say, «We believe something is true and we cannot prove it, and we believe something is not true and we cannot disprove it» and deep analytics can help to resolve that quandary. And number three, added Dr. Banks, is the creation of psychological safety: «You get a group of people who are highly trusted to say, ‘We believe this is the right way to go,’ and, because they have so much credibility, others say, ‘If they are going, we are going.’»

Some have certainly induced guilt or anxiety around the topic of inclusion. But «people will hold on to what they have got if they believe it is good enough» Dr. Banks insisted. «We are at an inflection point. If organizations start to see that we are losing out in the war for talent, then they will probably start to think way harder about what is necessary to create a truly inclusive environment. And right now, we just don’t know enough to assert with any clarity whether or not we have reached that point». </>

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