

By Invitation

# In a storm-tossed world, who's going to steer your ship?

The past year saw many leadership transitions in countries and the corporate world. Much hangs on the vision, values and policies of those taking over in these volatile times



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Imagine yourself on a storm-tossed ship, trying to navigate treacherous waters with limited visibility. Who would you prefer at the helm? A steady consensus-builder like former German chancellor Angela Merkel, or a charismatic but chaotic leader like British Prime Minister Boris Johnson? Or perhaps someone single-minded and ruthless, like Russian President Vladimir Putin?

The question of leadership is as old as human civilisation. It is in focus particularly during leadership transitions, where much hangs on the vision, values and policies of those taking over.

The past year saw many such transitions, with new heads of government installed in the United States, Germany, Japan and Malaysia. In the corporate world, the founders of Amazon and Twitter stepped aside for new blood. Leadership also changed hands at several major Singapore companies, including Singtel, StarHub, OCBC Bank and Temasek.

Over the years, many have attempted to distil the essence of good leadership. There is the "Great Man" leadership theory – that those born with certain traits are destined for greatness. This has, however, lost ground to theories of contingent leadership that emphasise the need for different leadership traits in different contexts. The UK's wartime leader Winston Churchill, for instance, is credited with rallying the nation in its bleakest hour, but fared less well as a peacetime prime minister.



The political and economic upheavals in recent years – exacerbated by Covid-19 – have focused minds on what it takes to lead in conditions that are volatile, uncertain, complex and ambiguous (Vuca).

## LEADERSHIP OR LUCK?

Where risks and opportunities abound, a single misstep could undo decades of good work, while a judicious move could see fortunes swiftly made. Is success, then, a matter of leadership or luck? What leadership traits, if any, are needed to take a successful country or organisation forward?

The impact of leadership is often evident in squandered resources, loss of trust and damaged morale under venal or incompetent leaders – or conversely, new initiatives, solidarity and growth under capable and committed leaders.

Behind the rise and fall of empires and institutions are also structural forces such as demography, technology, geopolitics and societal change. While it is the task of leaders to respond to such changes, the future is difficult to predict – the best-laid plans may be thwarted by tectonic shifts in the operating environment.

Time and chance also matter. "I



would rather have a general who was lucky than one who was good," Napoleon Bonaparte is said to have remarked.

Over-attributing outcomes to leadership may in fact skew decision-making. Consider the frequent turnover of team managers in elite football – sometimes, just a bad run of results can see a manager sacked, never mind the fine margins in games which can turn on borderline refereeing decisions. All too often, a manager who is dismissed from a team goes on to achieve success with another.

The award of large performance-linked bonuses to chief executive officers and fund managers may have also led to prioritising short-term financial results over sustainable growth. For critics of executive pay, the global financial crisis in 2008-2009 added grist to the mill – losses were socialised when companies had to be bailed out by taxpayers, in stark contrast to the privatisation of gains in years of good growth.

## THE MANAGEMENT OF SUCCESS

There is no denying the difference that good leadership can make in business and government.

Credit must go to Singapore's first generation of political leaders



Discussing the age-old question of leadership, the writer poses the question of who is best placed to skipper a storm-tossed ship – (from far left) a steady consensus-builder like former German chancellor Angela Merkel, a charismatic but chaotic leader like British Prime Minister Boris Johnson, or someone single-minded and ruthless, like Russian President Vladimir Putin? PHOTOS: REUTERS, AGENCE FRANCE-PRESSE

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for the remarkable economic and social transformation in the 1960s and 1970s. The pioneer leadership's judgment was not always right, but Singapore can count itself fortunate they were right more often than not, especially on the issues that mattered most.

Subsequent generations of leaders built on this success, taking Singapore further and sometimes in new directions.

The demands on leadership will continually evolve as organisations mature.

A company or country in the start-up phase needs to build up systems and processes, mobilise resources and win the confidence of stakeholders.

The management of success is a different task – leaders have to consider when to keep to strategies that brought success, and when to pivot to new approaches as circumstances change. This may entail making calculated bets to set the firm or the nation on a new arc of progress. Any change in approach will invariably create winners and losers, and is likely to run up against vested interests.

Success in this endeavour requires strategic vision, powers of persuasion and effective implementation – traits long associated with good leadership.

This is not to suggest that leaders should not hold firm convictions, or that they must be swayed by every opinion that is advanced. However, listening with an open mind allows leaders to unlock insights and experience within an organisation that can inform both planning and execution.

## HEEDING THE UNSEEN BUT ESSENTIAL

Leaders in the private sector are typically assessed by financial performance or concrete indicators such as customer acquisition. In the public or non-profit sector, recognition may be given for new services, programmes or initiatives.

Success, however, may be short-lived if built on shaky foundations, especially in a Vuca context where myriad risks could derail and even destroy organisations. Leaders must pay attention to what may go under the radar but is nonetheless critical to an organisation's survival and long-term success.

These include daily acts of care, performed by staff at all levels, that forestall human, financial or reputational losses, whether from training accidents, terrorist attacks, data loss or disease outbreaks. Just as critical is the identification of structural weaknesses, vulnerabilities or long-term risks.

Yet what is typically rewarded at the workplace is solving problems that have spilled into the open, rather than timely action that prevents crises from emerging in the first place.

When crisis erupts, heads may roll, but fear alone may not be enough to avert preventable failures. Internal audits and risk management protocols have a part to play, but this is also a question of leadership – in particular, the tone which leaders set for the organisation.

Leaders need to make clear that they value the daily exercise of care – such as by walking the ground to observe these efforts, and encouraging and exhorting members of the team. The intent is not to avoid taking calculated risks, but rather to spot vulnerabilities and anticipate threats.

It is also incumbent on leaders to invest in the future – in people and processes, sustainability and resilience. The returns on such investments may not be immediately apparent in financial statements or even during one's tenure in office – but will have a bearing on the organisation's long-term viability and success.

As to who is best placed to skipper the storm-tossed ship, I would go with a person of integrity who consults widely, anticipates hazards and ensures that the ship is in good condition – giving those aboard the conviction they are on the right course, and the confidence to deal with contingencies along the way.

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