

Mission leadership



Amid the increasingly murky world of corporate uncertainty and instability, Stephen Bungay and Damian McKinney believe that military inspirations can provide the clarity required to turn ideas into action.

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There was a time, which now seems long ago, when the business environment was measured and predictable. The most important information was held in the centre, organisations were structured into clear silos and delegation focused on responsibility for implementing plans. The core skill needed to create performance was management.

Today, the environment is fast and uncertain. The most important information is held at the periphery, organisations are desperately seeking synergy through a mixture of cross functional teams and networks, and delegation has evolved into different forms of empowerment. The core skill needed to create performance is leadership.

In that far-off time of stability, hierarchical structures and the division of labour were seen as the keys to efficiency. Their ghosts still haunt the corporate corridors. Companies find it frustratingly slow to get things to happen. Their employees are curiously unmoved by the lure of shareholder value and cynical about their jobs. Though seeking their commitment, most companies are still having to make do with compliance. Sophisticated strategies are developed and unveiled at conferences. Then nothing happens. For some reason, execution is becoming an ever greater problem.

In the face of all of this, some are casting about looking for a new organisational model more suited to the information age. Business academics

and consultants continue to produce new approaches and techniques. What is the practising manager to do with it all? Navigating your way through the business environment today is increasingly like driving along a foggy road at speed and the sheer volume of advice can sometimes just make the fog seem thicker. What are the essential things which really make a difference? Is it wise to try to imitate the practices of a few companies which seem to be doing rather well for the time being? After all Enron was much admired a couple of years ago.

In fact the situation we face is not new at all. Others have been here before. Some of them have found some remarkably effective solutions. To find organisations which have had to cope with an environment extraordinarily similar to that of contemporary business we have to look in a different place – the military. And to find some solutions, we have to look in a different direction – backwards. The Prussian Army of the 19th century is a worthwhile place to start.

From Auftragstaktik to mission command

Having suffered a shattering defeat at the hands of Napoleon at Jena in 1806, the Prussian Army, renowned for its ability to strictly execute central plans, began a period of soul searching. It realised that the battlefield environment had become fast

BREAKING THE COMPROMISE BETWEEN AUTONOMY AND ALIGNMENT



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changing and unpredictable and that decision-making had to be delegated. Aging senior commanders were replaced, officer recruitment broadened, and promotion based on performance. It began to develop a new set of behavioural norms. Senior officers were encouraged to give broad direction rather than issue detailed orders. Junior officers were encouraged to use their initiative both to exploit unexpected opportunities and to go to each other's aid. Gradually, the behavioural norms were systematised and embodied in training. Juniors were not told what to do and how to do it, but what to achieve and why. How they did it was up to them. Orders were replaced by missions, which consisted of a task and a purpose. People began to talk about *Auftragstaktik*, or *Führung durch Aufträge* – "mission-based leadership".

Because the intentions of senior commanders were communicated down the ranks in clear, simple terms, the actions of the army cohered. Because junior officers had such a wide measure of freedom within constraints set by the purpose behind their immediate task, the army was flexible and reacted to new events with a speed which

amazed professional observers. It reconciled autonomy and alignment. Being invisible, *Auftragstaktik* had the effect of a secret weapon. It was a sustainable source of competitive advantage.

Not until the last few decades was this potent secret investigated and put to use by others. After much debate, particularly in the British and US armies in the 1980s, it was adopted as official NATO doctrine in the 1990s. As it crossed the Channel and the Atlantic, *Auftragstaktik* became known as "mission command".

From mission command to mission leadership®

Developed and refined over 150 years, mission command is not a theory, but a set of practices. Most military historians will attest that the principles it embodies have in different ways imbued the most successful military forces in history, from the Roman Army to the SAS. Mission command has evolved these principles to allow large, complex organisations to act with speed and cohesion in a chaotic environment. High level strategy can be translated into action right down

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and across the organisation. It deploys and directs the talents of junior leaders instead of restricting and controlling them. It is a philosophy that attracts the brightest and the best but also raises the performance of the average. It taps in to one of the greatest motivators of individual performance – to know that you are making a distinct contribution to a collective purpose.

Reality is never black and white.
Actions always are.

Mission command was designed to enable armies to cope with the chaos which has reigned on battlefields for the past two centuries. Natural curiosity led us to wonder whether it could also work for business organisations now having to cope with a similar environment. It is systematic and has been tried and tested under more rigorous conditions and for far longer than any management theory. The only way to find out was to actually try it out. Evidence is accumulating that in that different context its power is undiminished. We call its business form “*mission leadership*”.

Mission leadership has two sides: the fostering of behavioural norms and the use of a set of processes. The two go hand in hand.

The behaviours involve senior people being disciplined enough both to be very clear about their intentions and not to interfere with their juniors. Junior people have to be ready to accept responsibility and not to delegate it back upwards, and to use the freedom they are granted. The behaviours allow for risk. Risks successfully run gradually inculcate trust. As trust increases, so does performance.

The set of processes enables an organisation to translate intentions into concrete activity.

Everyone from senior executives to junior managers carries out a *mission analysis*, covering an appraisal of the situation, the guiding purpose one and two levels up, the implied tasks, and the boundaries defining the space within which they are free to act. From this springs a plan, a key part of which is identifying the main effort. The brevity, clarity and incisiveness which this imposes breaks through the inertia felt by every large organisation trying to drag itself from planning to implementation. Thinking and acting are drawn together. Clarity is checked through a *backbrief* and the process then runs through a constant cycle of feedback and adjustment. It becomes a self-regulating system.

One reason why this technique is so effective is that it imposes an intellectual discipline which is a core executive skill, but one which most of us have to pick up as we go along. It is the art of practical reasoning. Most of us have been educated in theoretical reasoning. The purpose of theoretical reasoning is to understand reality, by thinking backwards into causality. Its outstanding feature is drawing distinctions. The purpose of practical reasoning is to make choices, by thinking forwards into consequences. Its outstanding feature is simplification. Reality is never black and white. Actions always are. Simplifying the greys of reality into black and white is an intellectually demanding task which involves putting a lot of our habitual thought processes into reverse. Many teams of intellectually gifted executives meet for week after week debating complex issues, discovering ever more sides to them, raising ever more perfectly valid points and thereby paralysing their organisations because they are misapplying their intelligence. They need to simplify. In a large organisation, what is not simple is not clear and what is not clear will not get done. Rigorously thinking through a mission analysis forces simplification. Doing so hurts at first. Then it gets easier. In the end it feels natural.

Mission leadership: the business impact

Results come in several stages. To some extent, they depend on the starting point. However, some patterns are beginning to emerge.

Usually, the first effect to be noticed is increased clarity and alignment. Even a small misalignment at the beginning of any change in direction will be magnified dramatically in its course. Our experience is that it is rare for there to be clarity about the exact nature of an apparently agreed direction even at board level. At one level below the board there is often confusion. At two levels below people often have little idea what a change in direction means for them. Mission leadership bridges the gap between thought and action. Not only does everybody understand the strategy, they are also forced to translate the overall intention into what it means for them.

The second stage is increased speed and effectiveness. People stop wasting their own and others' time. The process forces them to focus on the main effort. Lists of initiatives are translated into individual priorities which come together to constitute the company's main effort. Time on task starts to rise. Hesitation diminishes. Resources are focused. Cycle times shorten.

The third stage is that some people start to use their freedom. The organisation does not have to be goaded into action, but starts to take the initiative itself. People can adapt to changing circumstances and change their own tasks because they can answer the question "Why?" As performance management systems are aligned with missions, the organisation is released from the paralysing grip of metrics which are detached from what they are supposed to measure. Good people create their own space.

When mission leadership has matured from a set of mechanisms into a way of working, the organisation can change course at speed. The supertanker starts to become steerable and everyone from the engine room to the bridge can play a part in the direction it takes.

One striking feature is the enthusiasm mission leadership evokes in the management teams exposed to it. Some, of course, start as sceptics, wondering what all this "army stuff" can do for them. Almost without exception, the army stuff is found to be liberating. As people connect with purpose, their morale rises. As they discover their freedom, their motivation increases. As time goes on, the military origins of the doctrine are forgotten, as it is built in to the company's own way of doing things. It just seems like a sensible way to carry on.

Experiences

Indeed, some have commented that it just sounds like common sense, so what's the big deal? The answer is that being common sense does not make something common practice, and some of the practices are quite subtle.

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One of the first times the principles of mission leadership have been applied systematically in a business was inside one of the world's leading consumer goods companies, Diageo. The result of a series of mega-mergers, Diageo found itself without a unified culture appropriate to its needs. Senior executives wanted to get management teams to accept responsibility for delivering on the big picture, perhaps at the cost of sub-optimising their own areas. To achieve this, not only did managers have to be ready to take on that responsibility, they had to be absolutely clear about how they fitted in

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to the big picture. Steve Wilson, the Head of Global Innovation, emphasises that the real key was behaviour, and that changing behaviour was difficult. It required sustained effort. Diageo executives stressed from the outset that they were not launching an initiative but establishing a new way of working. They have now been working on it for two or three years.

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Wilson singles out three critical factors which have made a difference. The first is to give empowerment meaning by making objectives clear, putting in place the right people and then trusting them. The second is to give teamwork meaning and break down silos by making clear who can take decisions about what and what impact those decisions – or lack of them – will have on others. The third is embedding the discipline of decision-making. The disciplines are simple. For example, when meetings are called, decisions must result. Decision makers must turn up at the meeting or delegate, but if they choose to do the latter, they must delegate full decision-making authority.

The idea is simple enough, but the rigour is unusual. The result is speed and quality. "What you get is high quality decisions quickly," says Wilson. The effect has been to reduce timelines on new product introduction from over two years to a quarter of that. The new Archers Aqua brand was launched from a standing start in seven months. "We are way ahead of our competitors on this,"

Wilson observes. "Because it is rooted in the way we work, in our behaviours, it is hard to copy, and we are constantly improving. We have kept up the external help and are training all our managers as coaches. I am actually rather proud of the way the company has stuck with this. If you look at us from the outside, you can see us doing lots of things. But we believe that it is putting mission leadership into practice which is at the core of our success."

Schieffelin and Somerset, a joint venture between Diageo and Moët Hennessy, is a long-established importer of premium drink brands in the United States. With just 225 employees, it is just a fraction of the size of Diageo, but there are some common threads to its experience of adopting the principles of mission leadership.

"The real driver behind our work on this," says Schieffelin's CEO John Esposito, "was the need for pace. We simply could not run the company by telling everyone what to do. Apart from anything else, it was just too slow." As in Diageo, decisions were being pushed upwards and created bottlenecks. Email made it worse. "I would get them from all over, asking about whether to do this or that," Esposito comments. "Not only did I not have time to take all these decisions, I was not really best qualified to do so. We have discovered that leadership can come from anywhere. Now decisions are taken by the right person in the right place at the right time."

Like Wilson, Esposito emphasises the importance of disciplined behaviour. "Most decisions affect lots of different people in different functions, so everyone must understand the effects of their decisions on key stakeholders. This leads to more group processes. I see mission leadership as an empowerment tool. In the old days people were empowered but could not use their empowerment because they did not understand their work in the context of the overall company mission. The big revelation was to have people realise that they could say "no". They focus on

their mission, which is aligned up, down and across the organisation, and if something distracts them from their mission they can put it on a lower priority. People have also realised that the pitch they are playing on is bigger than they thought."

Trust is another common theme. It involves some risk. Sometimes, people make mistakes. "Because of the way we work, the team always picks them up and corrects them, quickly," Esposito observes.

Schieffelin has recently introduced mission analysis, but only after spending a lot of time working on behaviours and people management. "I'd say the behavioural changes were about 70 per cent successful," says Esposito, "but we are a small company in which everyone has to pull their weight, so we wanted the other 30 per cent. We got that by aligning the recruitment process and performance management with the desired behaviours. That makes it clear to people that this is not just flavour of the month."

Three years ago, there was enormous churn in personnel. Now it is down to 20 per cent and most of that is deliberate. "Today", Esposito says, "morale has never been higher. The reason is simple. Three years ago people did not know where they stood and now they have never known so much about what is going on. Everyone knows exactly how they fit in and how they contribute. We have established over-communication as a norm."

What is the business impact? Over the last year, Schieffelin has raised profits by between 11 per cent and 13 per cent in a declining market. At the same time, it has realigned the distribution network and introduced three new brand strategies. Once again, there has been a lot going on, so it is hard to pin down success to a single factor. But that is Esposito's point: "We have simply accomplished an enormous amount of work. The reason for that is that people are clear about their mission, cut out the peripheral stuff and don't waste time. The point about your

mission is that it is not a job description, it tells you what you need to do to be successful. Nobody waits for orders. People are always on the move, trying things out, learning and adjusting. We are always moving the ball forward."

Outlook

At first pass, it may strike one as strange that business should have anything much to learn from the military. After all, business is not war, and armies have produced some of the most egregious examples of organisational incompetence history has ever known. However, if we look beneath the surface we discover that precisely because of some of those catastrophic failures, a few armies may have learned some essential lessons better than many contemporary corporations.

To what problem then, is mission leadership a potential solution? Several themes are emerging: ineffective delegation, lack of pace, rigid silos, poor decisions. Some symptoms are very simple: meetings that go on forever, lack of trust, poor morale. John Esposito's leading symptom would be "pressure on resources". The focus that is produced by mission leadership simply enables you to achieve more with whatever you have got. Which amounts to saying that it is a key to unlocking some neglected reserves of productivity, a notion far from the minds of the Field Marshals who developed *Auftragstaktik*. Food for thought.

The further back we look, the further forward we can see. Mission leadership cuts through the noise of management fads to focus on the essentials which have distinguished high performance organisations throughout history. There is a growing body of evidence that business organisations of the 21st century which have the persistence to embed it in their daily practice may be no exception. ■