

## INTERVIEW

**“I’m not sure we have really developed all that much in the past several thousand years.” – Interview with Jack D. Wood<sup>\*)</sup> about leadership in a digital world.**

---

**Why is continual higher learning like the GEMBA the appropriate way to battle an increasingly complex global economic environment?**

I don’t think you want to ‘battle’ the complex global economic environment; I think you want to understand it so you can work within it without fearing it and without losing your humanity.

Executives and the business press today overestimate the importance of technology. Companies, and countries, fail not because they don’t have technology or money or because of the perception of complexity, they fail because of failures in leadership.

The CEIBS GEMBA, like the IMD MBA that ran from 2001 until 2012, was unique in its focus on leadership. Without first-rate leadership, businesses cannot compete and public sector organizations will flounder.

**Usually it’s the other way round....**

That is right. Most employees entering businesses have technical skills and technical training. They end up working in companies for five or ten years, and then it becomes clear that their technical skills and technical training are not enough. They need *leadership* skills. These managers are trained in a cognitive and rational way, and they look at situations as if organizations with people ran like an engineering system. But businesses don’t run like automobiles. They are full of people. And these people have to be treated differently than you treat circuits on an assembly line. Military organizations actually work differently: first you become an officer, *then* you learn how to pilot an airplane or command a ship. Leadership skills come first and technical skills come later.

**You mean that in industry there is a big gap between technical training and leadership training?**

In industry you end up with technically trained people who after ten years end up managing people at work and having families at home and none of their technical skills help them to do either. Leadership and behavioral skills are central. So why is there a leadership focus on the GEMBA? If you can get the leadership stuff right, you will be positioned to have much better decision-making in all business areas—whether it’s a question of accounting, finance, operations, whatever. If you don’t get leadership right, you always make a mess of all other organizational decision-making.

**However, not everybody is born to be a leader...**

There is a widespread misconception about the distinction between ‘leader’ and ‘leadership’—the one is a formal role and the second is a behavioral process. Conventional thinking mistakenly assumes that the person on top of the organization is ‘the leader’. But leadership is a process that occurs throughout the organization. A German HR exec was planning a program for young high potential managers, and she came to see me and asked me what I did. I gave her my assignments and readings. A few months later she came back and said that she liked my readings and assignments but could I remove the words ‘leader’ and ‘leadership’ from the material. I asked why she wanted me to do that. She said that she didn’t want the young managers to come back from my course and think that they would be leaders. I said, “Let’s go to the kindergarten and look through the big window.” It was a wall of glass. Behind it were dozens of kids. I asked her if she could see any leadership being exercised among the children in the kindergarten? She said yes. Some of the kids were organizing the others, initiating games, leading. And so I said to her: Ok, let’s talk about what leadership is and what it isn’t. There is a difference between a ‘leader’ which is a formal role, and ‘leadership’ which is a process that occurs at all levels of an organization—or any group, including one’s family.

**Is your personal-development aspect, similar to the one which you established at IMD, which distinguishes the GEMBA from other EMBA programs?**

All business schools that 'teach leadership' focus on a personal or individual level. Mostly the focus is in the classroom and sometimes there are a few hours of personal 'coaching'. The main differences with leadership work I do is that we don't just focus on the personal, individual level, we work on the group and organizational levels—and we work in depth.

All leadership is exercised in small groups. Even if you are a President or a Prime Minister you still work in a small group. So, we focus on the small group. Most schools and organizations do individual coaching but in fact you never work with somebody as an individual only. If you're thrown into a group, and you think it's just a collection of individuals with their own traits, you just don't understand the unconscious dynamics of how the group works. If you don't understand why people are subgrouping, why the agenda on the table is not the real agenda but the agenda under the table is, then you'll never be an effective leader.

**But is leadership not mostly about motivating people?**

Traditional 'leadership' is based on dominance, hierarchy and obedience. But dominance is not leadership. Dominance—authoritarian behavior—is a kind of archaic or primitive leadership. It works with baboons but it doesn't work with humans very well—unless there is a crisis. This is why authoritarian leaders create and exacerbate crises, to permit them to behave in an authoritarian manner. This is true in Switzerland, the US, Russia, China, everywhere. Dominating your subordinates with your formal authority may bring compliance, but it will never bring commitment. Authoritarian leadership is the same everywhere. The collective desire for dominant and authoritarian leadership is more pronounced in times of insecurity and fear. Today is an example. And it's dangerous.

**What would be a more behavioral approach?**

If you understand what drives people's unconscious behavior, you can exercise leadership in a deeper, more effective way. Nelson Mandela's name comes up often as a great leader. Mandela spent 27 years in prison. He went into prison as an angry young man, but after a while he realized that his anger was toxic to himself, so he became curious about why the whites treated the blacks so badly. He started talking to his jailers to understand them. He learned that the reason whites treated the blacks badly was because they were *afraid* of the blacks—that's why whites were persecuting blacks. And when he got out of prison, his advisors were telling him they could not take revenge on the whites. But Mandela said no, and he addressed the fears of the whites, not the bitterness of the whites. That's why he was a remarkable leader, because he could address the unconscious and irrational elements. Robert Mugabe in former Rhodesia did exactly the opposite, and Zimbabwe is a mess now: same kind of history, same kind of resources, same legacy of white rule, different black leadership, so different results—success in South Africa and failure in Zimbabwe.

**Not everyone has what it takes to be Nelson Mandela...**

Well actually almost everyone does. In today's environment you get a lot of would be leaders playing to fear and exaggerating it, basically manipulating people into supporting them because of fear, so that they can justify behaving in an authoritarian manner. Hitler and Stalin did that. Donald Trump and Vladimir Putin are examples today. It's an old trick: generate and exacerbate fear among the people, and manipulate them into following your fabricated solutions—it's narcissistic and pathological. There are lots of 'top executives' who operate this way too. There is a lot of current research that identifies that the character traits of many CEOs are the same as those of psychopaths.

If you exercise leadership today, you can't understand things by only working on yourself—like getting personal coaching—because you're trapped in a system that you don't understand. Of course you have to understand the psychological dynamics that drive you, but you need to understand what drives those around you too.

**And how shall we escape the system in which we are trapped?**

That is why I approach leadership as an essential element in a wider system, like a family is a system. Years ago psychologists realized that working with an individual patient had little effect because the patients would improve in the clinic and get worse at home and they found out that it was the dynamics in the family that made them ill in the first place, not some pathology inherent within the individual patient. They understood something was going on in the family system that was making that individual sick.

So they started looking at families as a system. Similarly, we look at groups as a system. Most of us worked in groups and teams. At IMD there were many MBA students who were former military officers—former American green berets, British and Swiss officers—they told me that the way we did leadership gave them insights that they never had on how groups and organizations worked. They said the lenses we provided them clarified things that they never were clear about because in most organizations you just plough through learning about ‘what you’re supposed to do’ without ever understanding what is underneath. That is what we train in the GEMBA: to think psychologically; to look under the surface.

**Your leadership module will start in two weeks (26 Sept 2016). Can you say something in this context about the first module without blowing it?**

Organizational life revolves around a core of leadership. The core of the first module is leadership because when you understand deeply what leadership is and what it is not, then this will make your decision-making in all other kind of business functions more effective. We try to put in place a foundation for understanding and exercising leadership responsibly that will carry participants forward for the rest of the program and for the rest of their careers.

**That is opposite to what current leadership training methods proclaim, like the popular differentiation of transactional and transformation leadership.**

Those are simply buzzwords. The differentiation between ‘transformational’ and ‘transactional’ leadership is built on Abraham Zaleznik’s distinction between ‘managers’ and ‘leaders’. And then John Kotter took up the same distinction but called them both ‘leaders’; basically re-naming them and saying that there are ‘transactional’ and ‘transformational’ leaders. Reading between the lines of their articles and books, it becomes clear that they both admired ‘leaders’ more than managers, and admired ‘transformational leaders’ more than ‘transactional’ ones. I think people tend to glorify ‘leaders’ and diminish the importance of management.

**How would you distinguish leadership from management?**

Leadership is actually something that all managers have to be able to do, but management is not something that all leaders have to do. Management is a more comprehensive set of skills than leadership, and it is largely ‘cognitive’—you can consciously learn to do a spreadsheet, balance the books, do a discounted cash flow, and so on. Managers have to do a lot more than just exercise leadership; they have to understand system structures, policies, procedures, technical issues, accounting, finance, supply chain management, etc. Leadership, on the other hand, is a simpler but more elusive concept to grasp because it is more psychological and can’t be engineered—although today’s ‘leadership industry’ tries to peddle leadership in an ‘engineering’ kind of way, for example, by pretending that there are 5 principles or 7 principles and if you follow them, everything will be fine. It won’t be.

Leadership operates in a narrower behavioral range, but it’s a critically important one. What we basically do is take managers with technical backgrounds and get them to exercise leadership in groups and get them to make sense of it all—to understand themselves, others, and the groups and intergroup dynamics in which they have worked. This kind of learning stays with you long after you’ve forgotten the business cases you’ve been discussing in a classroom. Developing one’s understanding of leadership and groups will be useful at work and at home—everywhere there is a group and decisions need to be made. Learning about leadership this way is applicable for your entire personal and professional life.

**That raises the question whether leadership can be learned or taught.**

Leadership cannot really be 'taught' in a cognitive way. It's like trying to teach 'love' in a cognitive way. You cannot present lectures or assign books on leadership and expect that to make someone a better leader.

**But that is what many of those gurus do: they pretend to have a key.**

They're marketing their ideas to make money. For their audiences, it's a waste of money and time to get these books. Leadership cannot be taught but it can be developed. So what we do is to create those conditions. We provide participants with *the opportunity to develop their capacity to exercise leadership responsibly*. This isn't 'fun and games'; this is real hardcore training. We expect the students to work at it. We use rigorous group exercises and video to help them learn. It's not so much physically challenging; it's more emotionally challenging—can we 'tune into' our own feelings and the feelings of others in the group and recognize the patterns of interaction to accomplish a given task.

**How do they work?**

All officers in the British army have to go through these kinds of exercises in a one-week course in Westbury. It's called the officer selection board. After that—if they are selected—they go to Sandhurst for a year to train to be a British Army officer. These exercises were developed by the Germans between the two world wars and were adopted by the British and Dutch for officer selection after WWII; they are used by the Americans for officer training, not selection. I went through these exercises when I was an Air Force officer and I thought these were extremely revealing.

How are they used? You have a small group—5 to 9 individuals—and you give them a task and observe and film their behavior. Then you discuss it with them. Then they review the videos themselves. Then they present to the class and other groups and you have a question and answer period—and exploration of what's going on under the surface. I realized when I was doing the exercises in the Air Force that you learn a lot about yourself and others and how your group is functioning—the fundamental difference between leadership and dominance became crystal clear.

When I arrived at IMD in 1988 there was a two-week leadership program called Mobilizing People that Chris Parker and Chris Harling had started the year before. I loved it. It was deeply challenging and effective for the participants *and* us on the staff. I took the core of the program—the outdoor exercises—and built other things around them to design leadership programs for companies, Schindler, ABB, Sara Lee, and others. In 2001 I was offered the leadership steam of the new IMD MBA program that Sean Meehan redesigned. I agreed to do it as long as it was a whole stream that went through the entire year—not simply a one-off experience. The MBA students wrote autobiographies before they came. They did classes and outdoor exercises with a designated consultant/coach. They wrote papers about their group experience. They had coaching sessions with the same coach throughout the year even if they switched groups. They had the option to do a Personal Development Elective (PDE) which was basically 20 hours of therapy, coaching and counseling with skilled analysts trained at the C.G. Jung Institute where I was training and the International School for Analytical Psychology (ISAP), both in Zürich. That provided the students with the opportunity to deeply understand their personal background, families, and personal reactions to events.

I tried to stitch together a fabric that would hold for the entire year. In most schools, leadership is a kind of an option or a cognitive head thing but you don't really understand leadership cognitively. You have to experience it deeply to develop it.

**How can you overcome multicultural obstacles in leadership or by leadership?**

I spent many, many years outside the United States—a year in Thailand at the end of the Vietnam war, 25 years in Europe, work teaching all over world, the last four years in China and Russia teaching EMBA's. There are obvious cultural differences; but these differences are exaggerated and frequently used as an excuse to be 'special'. When you are an analyst and a professor and your clients and students are from all over the world you realize that although there are cultural differences—we eat different foods, we dress differently, we mistakenly *believe* that we think differently—when you look under the surface you see that people are more similar than different: we all have mothers and fathers, teachers and bosses, siblings

and friends. You see the same patterns over and over again. It shouldn't be surprising: our livers and kidneys, our hearts and our brains work the same; it shouldn't be a surprise that our psyches work the same too.

### **There are no particularities?**

There is no Chinese leadership, or Indian leadership or Russian leadership or American leadership. Leadership is leadership. Leadership is timeless and universal. If you ask people for the names of individuals whom—in the long sweep or history—they consider to have been great leaders, they will give you the same list. This list might include a few people from their home country, but basically the list is the same. The list is timeless and universal. It does not depend on the century, nor on the particular civilization.

### **Where's the problem then?**

There is no problem. Except in how people think about leadership. And exercise it—responsibly or irresponsibly. It's not a recipe. The more one develops one's capacity to lead, the more the characteristics of leading and following converge. Leadership is like dancing. When you begin to learn to dance you are about a half meter apart and you try not to step on the toes of your partner. The boy is supposed to lead. The girl is supposed to follow. But the better you get, the narrower the distance becomes between leading and following. By the time you are a really good dancer, the distinction between who is leading and who is following becomes essentially meaningless. Leadership is a very fluid thing. Look at sport teams. It's not necessarily the captain of a team who is leading the team throughout the game, it's whoever anticipates the situation and places themselves into a position to assist in a score or defend against the other team scoring.

### **But this requires good communications in a team!**

Leadership has a lot to do with communicating a vision—but in a professional team, as with professional dancers, that communication is mostly unspoken and intuitive.

### **What is the key to translate leadership in two different corporate cultures?**

Every industry has a slightly different culture and every company inside that industry has its own subculture too. If you have formal authority, you can create a leadership culture in your company or in your small team. A culture of leadership facilitates fluid and effective leadership from all team members.

### **The world is digitalized. Times have changed. People interact less and less in face-to-face. How has this affected leadership? How do you bring these two things together—leadership as a process and the digitalized world?**

Some things have changed and some things have not. We still fly the same kind of planes, use personal computers, use telephones that are now mobile, eat cereal and drink coffee for breakfast, etc.

People are talking about change like change is wonderful but some changes are good and some changes are disastrous. Civilizations grow and die and right now we are in the middle of a process where things are swinging back to the authoritarian and fascist end of the spectrum. There may be some serious disruptions as it is not clear which way the change is going to go. Reading the papers and watching the evening news you get the feeling of déjà vu—we've seen this kind of collective hysteria and ideological posturing throughout our lifetimes, but now it's nearly impossible to escape.

### **The digital age was supposed to free us from the ghosts of the past through information...**

The digital age was supposed to increase the flow of information and knowledge and open the door to learning. People dreamt of an information superhighway. But what has arrived is closer to a disinformation superhighway. We have an unregulated flow of systematic *mis*-information and individuals have become more and more personally isolated in a narrow world of their own—a world whose parameters are defined by larger vested interests who have the political agenda of aggrandizing their own power. Fox News is not really a news channel. It is not concerned with objective reporting. Fox News serves as a propaganda ministry for the Republican Party. It is drifting further and further away from a rational analysis of events

and closer and closer to propagating a collective delusion. And this is irresponsible—the consolidation of power and wealth in the hands of a smaller and smaller élite with an agenda of their own that manipulates the citizens of their countries for their personal gain.

I think we are seeing something that we have seen before: a century before in Russia, in the 1930's in Germany, in the 50's in the U.S.: Lenin and Stalin, Hitler and Mussolini, J. Edgar Hoover's and Senator Joseph McCarthy. It's basically a collective paranoia.

**You mean, regardless how far we develop mankind remains what it is, and so leadership is fundamentally the same as it has always been?**

Yes. I'm not sure we have really developed all that much in the past several thousand years. And as far as the digital age goes, only a few people are really beginning to understand the degree to which our technology is helpful or harmful—even lethal. Our tools are faster and more sophisticated and more lethal—we assassinate individuals whom we believe are our 'enemies' in their pick up trucks along desert roads 20,000 miles away with remotely piloted drones—we are essentially still hacking each other to death as if we were barbarians. The situation reminds me of the dilemma that surfaced with the arrival of nuclear weapons. In the fifties and sixties, it became clear that 'the button' should not be too tightly coupled to a single individual's decision-making authority, or the result would inevitably be a disaster—a Dr. Strangelove kind of thing. It's not surprising that today's young people—those in their twenties—are suspicious of the present élites and of their agenda: for good reason. These kids are bailing out from their companies—it's partly a millennial thing and it's partly related to the intuition that things are becoming increasingly fraudulent.

**You call it fraudulent, but others call it a success!**

I remember reading a business magazine only a year before Enron crashed and they made Kenneth Lay and Jeff Skilling look like saints. The annual report looked great and people thought that the accounting numbers reflected a reality. Enron was all a fraud, like the dot.com bust; like the sub-prime crash in 2007-2009 that brought the world economy to the precipice; like the 2016 U.S. Presidential election narratives. I'm neither optimistic nor pessimistic, but I do wonder how things are going to come out. I do feel a little like I am watching a slow-moving train wreck. And I know that those managers who attend the classes in leadership need to understand the deeper psychological patterns that are at play if they are to exercise their own leadership responsibly.

**Let us skip back to the digital and its influence on leadership.**

The digital age has a tremendous influence but in different way than you suggest in your question because it makes it so easy to expound a dishonest narrative. Honestly, one of the best things in Switzerland in this digital age is the required military service for the young men. This is an extremely effective socialization process—socialization not in the sense that it brainwashes you, but in the sense that it *un*-brainwashes you from the false 'narcissistic narratives' propagated in the internet. Young men from distant valleys and villages must meet others from cities and must work and accomplish something together. It's fact to face. It's real experience. And it builds understanding and appreciation of differences and a sense of collective social responsibility. That's one central reason why Switzerland is able to maintain its stability amidst the different languages and cultures within it, and the chaos that surrounds it, and the seductiveness of the easy-answer digital content.

**Is this not a little bit far-fetched? To proclaim that the military service helps a society from drifting apart?**

Can you imagine trying to develop the same sense of collective responsibility digitally? This sounds to me like taking your girlfriend to a restaurant and proposing to her digitally? It doesn't work. Why? Because we human beings do not work that way. In this respect the internet has a pathological aspect because it gives individuals the false illusion of power and competence and community. But it's an illusion—like the 2013 Spike Jonze Movie "Her" where Joaquin Phoenix falls in love with his operating system.

**What you say is: the world is changing under the influence of “the digital” but not the way people interact?**

I know that some students want to hear ‘blue sky’ kinds of things—like the internet and the digital age are transforming the world for the better, that leadership in the digital age is different, and so on. But I will not build delusions in my classes. It is much more helpful to be authentic than to be slick. I attempt to work with the real life experiences of the participants. I am not going to feed them stuff that I don't believe and that they don't know about. I will look not just at the things that are on the table but at the things that are under the table too. That is where leadership happens, and that has inevitably been their own experience, although they have not been encouraged to look at it that way by their parents and teachers.

**Can you say something in this context about the first module without blowing it?**

Organizational life revolves around a core of leadership. The core of the first module is leadership because when you understand deeply what leadership is and what it is not, then this will make your decision-making in all other kind of business functions more effective. We try to put in place a foundation for understanding and exercising leadership responsibly that will carry participants forward for the rest of the program and for the rest of their careers.

---

<sup>\*)</sup> Jack D. Wood is Professor of Management Practice and Organisational Behaviour at the China Europe International Business School (CEIBS) in Shanghai, China; Emeritus Professor of Leadership and Organisational Behaviour at the International Management Development Institute (IMD) in Lausanne, Switzerland, and Visiting Professor at the Moscow School of Management (Skolkovo) in Russia. Jack has Swiss and American nationality. His academic publications and areas of special interest include the role of unconscious processes in leadership and followership, group dynamics, and ideology. Along with his academic work and organisational consultation, Jack is a practicing psychotherapist and a diploma candidate at the C.G. Jung Institute in Zürich. He is a member of the American Psychological Association (APA), the American Academy of Management (AOM), the A.K. Rice Institute for the Study of Social Systems (AKRI) and the International Transactional Analysis Association (ITAA).