Civil Leadership as the Future of Leadership

Civil Leadership
as the Future of Leadership

Harnessing the disruptive power
of citizens

STEVEN DE WAAL

Contents

Preface

Disruption has been a crucial strategic concept and a fundamental challenge for companies for some time now. The term 'disruption' accurately captures the unsettling, threatening, and undermining impact that the arrival of a total newcomer has on existing players in a market, a newcomer that they did not see coming. This kind of disruptive emergence of a new player also brings revolutionary changes to the total playing field in their market segment. By now, everyone is fully aware of the technological factors that are causing market disruption. These include websites with a multitude of options and review features for users, online peer-to-peer bartering platforms that match supply and demand, often supported by Artificial Intelligence that remembers a user's earlier preferences and suggests products a user might like, and social media that compile and share news and views on products and services. Disruption is triggered by a total newcomer penetrating a market segment without using traditional and well-known tactics such as undercutting or taking over existing players, but rather by using new technology to target customers directly, steal customers away from existing players, bind customers, and ultimately take over consumer buying power and influence on buying decisions.

None of this will come as news to a strategic market observer or market trend watcher. Still, from my perspective, which is that of strategic management in the public sector and its two primary private-sector drivers (active citizenship and social entrepreneurship[1]), it is incomprehensible why we take such a restricted view of the impact of such technologies, considering it solely a cause of disruption that is affecting only the market. I am seeing equally large-scale and revolutionary impact on the public domain, coming from the same technologies that are greatly facilitating and stimulating active citizenship, which is having far-reaching consequences for politics, democracy, and public services. This impact is not merely of a technological nature (such as more and faster

data sharing, more cameras and sensors in the public space, the use of algorithms and big data in political campaigns, and the use of wearables to track fitness, monitor health care interventions, and record educational progress) or a commercial nature (such as new platforms with different services), but it changes mainly the mindset of and bonds between citizens, also in their mutual relationships and collaboration. These new technologies are thus, in my opinion, having a revolutionary impact on our human existence, on our society, and on our citizenship, meaning that they have the capacity to, as we can already see now in our everyday lives, lead to major and fundamental disruptions in politics, in democracy, and in the approach to and functioning of public services such as health care, education, energy, and security.

This essay intends to describe and analyze the impact itself, as well as the underlying trends and technologies. Loosely paraphrasing a well-known remark by Bill Clinton, my slogan in doing so is: '*It is not the technology, stupid, it is the mindset and power of citizens*'.[2] Needless to say, the nature, pace, impact, and extent of the disruption of politics, democracy, and public services are not the same as when we talk about market disruption. I will detail all these aspects of the disruption, as few seem to realize that this disruption is already ongoing and that its impact, also globally, is already visible in certain areas.

This essay follows from and is based on numerous lectures I have given about these subjects in the Netherlands and Europe over the past months. My lectures were attended by executives and non-executives from many different fields, ranging from health care, energy, and public housing to education, politics, and business. Given my personal background as a strategic organizational consultant, entrepreneur, and former CEO of Boer&Croon (a leading European management consultancy firm), and as the chairman of several non-executive boards (in areas such as professional soccer and the culture sector), I always seek out audiences made up of peers to test out whether my insights are adequate and usable in today's executive governance practices. Their responses to and comments on my lectures provided some of the questions and lessons from governance practices that I addressed in the research on which this book is based. On top of that, I organized several think tank sessions with citizens and executives to go over draft

versions of this essay, the results of which I subsequently incorporated into the essay.

My entire professional life, I have worked on conceptual development and theory building, so I have always operated between executive practices at organizations in the private and public sectors on the one hand and academic and philosophical analysis on the other. This has led to me publishing a considerable number of books, mainly in Dutch, set up a private-sector think tank called Public SPACE (see www.publicspace.nl), and earn a PhD with a dissertation about civil leadership in 2014, which was later published as *The Value(s) of Civil Leaders* (Eleven, 2014). I have actively contributed to the debate about civil leadership through a large number of lectures I gave and debates I moderated, also internationally, for similar audiences of elected officials, executives, and others with administrative responsibility. Experiences and insights acquired through such exchanges have been incorporated into this essay.

What I hope to achieve with this book above all is for one end of the spectrum of people who are actively involved in the subject, namely that of *elected officials and those with administrative responsibility in the public sector*, not to be taken by surprise by the disruption and impact of new technologies like many CEOs in the private sector were several years back. Many of these CEOs who failed to see the changes coming, or who simply denied or ignored them, have meanwhile seen their companies topple, go bankrupt, or be taken over. We simply cannot afford to let the same happen to all the great institutions of democracy and public services. We cannot afford to allow the same kind of disruption, or even destruction, to happen in the public sector. Market disruption has, however, taught us that a fundamental and drastic rethink and overhaul of organizational structures or institutions is needed to prevent that we lose sight of the principles on which these institutions are based, to prevent them from disappearing from the visible fabric of the public sector and from people's everyday lives. Only a timely strategic response will prevent that from happening. However, unfortunately, I am still seeing the same psychological phenomenon of denial and disregard in public sector and semi-public sector circles, the same mindset that led to the lack of strategic insight that has done so much damage in the private sector. That said, I am also seeing, and this is the

good news, when I give my lectures and moderate debates (in 2018), that this is changing in many areas: the fierce denial and subconscious or conscious ignoring are starting to wane.

Given the mission of my think tank Public SPACE, which I pioneered in 2001, there is naturally also an entirely different end of the spectrum that I feel is slightly more important than that of the officials with governance responsibility I referred to above, and that is the end of the *citizens* who (want to) *actively engage* with their communities, with society as a whole, and with public issues. This is the basis of civil leadership. And that is where both ends of the spectrum actually overlap: citizenship can also be exercised from executive positions, which, in my dissertation, I referred to as 'citizenship in the boardroom.' I hope, and I am actively trying to make this happen through this book, that active citizens and their civil leaders will realize that new technologies will increase their power, scope, and organizational capacity to get things done together as citizens, anywhere in the public space and in response to any social issue! The days that we, as citizens and voters, delegated this to or passively let governments and executives take care of that for us, or were equally passive in our relationships with companies, seem to be well and truly behind us.

The major revolution that has been unleashed by these issues and new possibilities, which has meanwhile caught steam and reached a strategically crucial point, is in my view one that hits very close to home for our human existence and society, so much so that I have chosen to refer to it as the **Digital Civil Revolution**. It is time we took a close, open-minded, and courageous look at this revolution and got you strategically prepared and involved at this strategic point in time and, hopefully, trigger your own civil leadership.

I
Introduction

Today's new technologies that have disrupted markets are now triggering a third revolution, after the agricultural revolution and the industrial revolution. This third revolution is fundamentally changing our human existence, our communities, and our citizenship, and I am calling it the Digital Civil Revolution. This is not good news for everyone. Those in power will resist, authoritarian governments will try to block change, new technologies can and will also be abused, and citizens are not used to their new responsibilities. (Civil) leadership is needed to be able to seize the potential benefits of this new technology-driven revolution for us all.

The Digital Civil Revolution

The technological revolution that is currently changing our lives has not yet petered out. Quite the opposite. The continued development of the Internet and the associated global availability and shareability of just about everything, from data to images to experiences, which reached maturity in the 1990s, could even be classed as old news. This would, in fact, be an observation based on that typically modern sense of time and of the rapid alternation and availability of data and media caused by the Internet and the communication overload that comes with it. However, this is only one of many interrelated technological changes that are ongoing simultaneously. The current situation is therefore sometimes referred to as the next phase of the industrial revolution.[3] I, however, believe this is based too much on an assumption of continuity, while it is simply contradictory to define a revolution as a continuation of a previous revolution. As if we are currently merely seeing the next step of industrialization, and nothing more than the next phase in the process of technology revolutionizing human processes surrounding production, the economy, and wealth. True, this is indeed going on to some extent, but there is much more to it. The impact is much broader and affects, if not changes, the most fundamental foundations of our being: our human existence and communities. This is why I prefer to call it the **third revolution following the industrial revolution**. We are currently in the middle of a revolution of people's information-processing, communication, and intellectual skills, which are partly taken over by machines. As a result, the revolution is drastically changing humanity itself, its communities, and society. Our speech and communication, our intelligence, our brains, the images on our retina and in our minds, how we gather and process knowledge, it is all being automated, or at least supported by numerous, often intelligent or self-learning robots. In addition to the data and communication explosion triggered by the Internet and its platforms and websites, such automation comes in the form of artificial intelligence, *the Internet of Things*,

and mobile (IT and media) technology through satellites.[4] This revolution therefore goes to the core of our human existence and how we view and think about ourselves as humans. Previous revolutions, both the agricultural revolution and the various stages of the industrial revolution, can, with hindsight, still be seen as focused on specific aspects of our survival as humans (food production and manual labor), and did indeed have major and revolutionary impact on our lives and survival (the parceling out of agricultural land, increasing wealth and influence of feudal landowners, the shift from rural to urban residency, and the shift from working the land to working in factories and offices). But the current revolution, which I will refer to as the **Digital Civil Revolution**, goes to the core of our existence as humans and our society. It brings sweeping technological changes that not only support and strengthen our uniquely human capabilities in a revolutionary way, but also directly and profoundly change our humanness, partly through their impact on how we live together and interact as humans.

The impact that this revolution is having is meanwhile most evident in the market, and rightfully referred to as disruption. Besides the market, the other two areas of the institutional triangle, the state and civil society,[5] are now also facing fundamental changes. However, the impact of technological developments on their functioning or even continued existence is not yet as severe and instantly undermining as the impact felt in the market. Still, the first signs of impact on the state and civil society are already visible, especially to an objective outsider. Most stakeholders are still refusing to face up to the disruption in the public sector and civil society (much in the same way as markets responded when they were on the receiving end of it), thinking that the disruption will remain limited to the market domain. But the impact is already felt, especially in politics, largely because of the market-style mechanisms in politics, and the impact will only increase across the public domain. Stakeholders in these circles have been lulled into a false sense of security by the fact that, in comparison to the market, there are factors at work in the civil service and public services that are delaying and cushioning the impact. Such buffers and sluggishness are absent or at least less prevalent in politics. Professional politicians operate to a clear market mechanism, even though they will be the first to deny that. In the political marketplace, politicians compete

to get people to vote for them, and this market has meanwhile been disrupted to the same extent as the commercial market. This is shown by the sudden emergence of new politicians (Trump) who are making better and smarter use of new technology than their more established competitors, by the success of movements (Macron) that manage to get voters to join new platforms away from traditional political parties in an unprecedented short time span that can only be explained by the use of new technologies, and by increasing swarm behavior by voters and the resulting more extreme election results[6]. For an example of such swarm behavior by voters, just look at Emmanuel Macron's victory in France. The party, La République en Marche!, he founded in 2016, five months before the elections, won an absolute majority at the elections in 2017. Macron's movement won 308 of the 577 seats in France's Assemblée Nationale. Later in this book, I will explain how Macron's victory was produced by a kind of synchronized swarm of potential voters, who realized that their vote for Macron would, despite him being an outsider in the political landscape at the time, and despite widespread warnings from traditional parties not to vote for Macron, not be a wasted vote.

Disruption in the market concerns mainly how we communicate, stay informed, and share information, and, therefore, how we organize. Work changes, connections change, markets as transaction mechanisms change, the purpose of *middlemen* (such as brokers, banks, travel agencies) no longer goes without saying, and organizations are therefore changing as the vehicle for human labor. The hierarchy, management, identity, and recognizability of organizations, in particular, are no longer clear or the most important strategic factors to lean on.

The technological revolution, therefore, affects the core of our human existence and our evolutionary advantage over other species, which is based on cooperation and communication. The latest theories[7] about this no longer claim that our brains have grown in proportion to the rest of our body, more so than seen in any other species, as a result of random mutations. And they no longer claim that this random growth of our brains led to us developing language and starting to join forces on an increasing scale. And that this explains our organizational capabilities, as if it were a kind of physical fluke that has been preserved in the gene pool on a typically evolutionary but mainly biological basis,

because it brought success in the struggle for survival and adaptation (*survival of the fittest*) within physical contexts and in our competition with other species. According to these latest insights, it all happened the other way round: our ancestors discovered the major evolutionary benefits of collaboration and organization in increasingly large groups, partly because humans were good at developing and using tools and teaching others to use them (education is one of the mainstays of our human existence). These human capabilities of calculation, estimation, tool development and use, education, and working together in general can even be seen as the basis of strategic thinking and behavior.[8] This is how humans developed language, arithmetic, and the ability to structure. The evolutionary edge that these new skills and behaviors gave us over other species subsequently propelled, in a genetic and a Darwinist sense, the growth and further use in an evolutionarily advantageous way, of our brains. This is how having big brains gave humans a major evolutionary edge over other species, allowing humans to further build on the skills they had discovered, which compensated for the fact that such big brains came with a greater need for energy and caused physical difficulties during childbirth. Certain scientists, most notably archaeologists and anthropologists, have branded this the *human revolution*, the development and importance of symbols and symbolic order as the basis of homo sapiens. In short, communication and organization are fundamental for the nature and success of the human being as a social animal. This is why the current disruptive revolution is having such a massive impact, as it touches on our humanity, our continued existence, and how we operate as humans, as well as our way of being in the world. The disruptive revolution therefore not only impacts on our human functioning, but also on our view of humanity. Who do we, humans, think we are and what makes us human, what makes us unique, what binds us together or sets us apart? Every truly strategic and mainly also philosophical response to this disruptive revolution will therefore have to address these fundamental elements while simultaneously bringing the people concerned on board. And that is where *leadership* comes in.

The definition and practices of leadership have given rise to numerous misconceptions and myths that, as they are being challenged by this third revolution, need to be revised. I am talking about myths such as

the idea that your formal position is an indication of your leadership, which suggests that managers always show and must show leadership, even attributing special qualities to them, ranging from visionary and charismatic to almost saintlike in their good intentions and idealism.[9] Hereafter, I will argue that the Digital Civil Revolution not only calls for *more* leadership, as always under exceptional and challenging conditions, but also for a *different kind* of leadership. Technological disruption not only changes the market and politics, but also changes our view of humanity, our human existence, thus creating a need for a different kind of leadership.

The basic idea of the analysis and argument of this essay is that disruptive technologies will create an entirely new philosophical and strategic context for all our actions, our humanity, and communities, on all geographical scales (neighborhoods and districts, cities, countries, globally) and in all areas in which we operate (politics, market, and civil society). It is now fundamentally changing how we organize and lead in general. I will go into this in Part II. This is so fundamental that it directly affects how we interact and organize ourselves, how we view humanity, and our social, economic, and political interrelations. In much of the literature, as well as in many analyses, the technological innovations that are currently ongoing, and their impact, are viewed only in the context of the market sector and the disruption they create there. This is too narrow a perspective. After all, the impact touches directly on our human existence and our communities, as becomes apparent, albeit certainly not only there, in how we organize ourselves for production purposes. It is therefore not only about this being the next phase of the industrial revolution, but also about an entirely new, subsequent revolution, which I refer to as the Digital Civil Revolution. Picking up on this misconception, I will further go into the massive and already visible impact on our public communal lives and organizations, (democratic) politics, and civil service (which will be covered in Part III). In the interlude, I will recap, because I expect we are going to need strategic intelligence and new leadership to make it through this revolution in a way that inspires confidence and hope, while preserving our democratic institutions, good public services, and an active civil society. Both steering this human revolution (which is triggered by the last technological revolutions) and shaping the resulting new human connections

require a new kind of leadership from inspiring and reassuring leaders for this fundamentally new future. I have previously referred to this as civil leadership. It requires a fundamental overhaul of our leadership views, philosophy, and practices. This is what Part IV will be about. Part IV will conclude with clear and specific tips and recommendations drawn from civil leadership practices that I have observed. Despite the intense revolution that we find ourselves in at the moment, with all the uncertainties, insecurities, and concerns it entails, I will close with a hope-inspiring outlook for the future, assuming that we realize on time what needs to be done now, and assuming we get the new brand of leaders we need (Part V). This is why the need for and nature of strategic intelligence, and the lack thereof, is a recurring theme in this essay: we need our decision-makers and leaders to see this revolution coming and timely and adequately respond to it. One objective of this book is to encourage exactly that, even though I realize that rational analyses on paper cannot actually do that. The notes at the end of the book are sometimes no more than references to works cited, while others are more detailed suggestions for further reading on a specific subject and yet others will point out in which areas further discussion is still ongoing and which theories are still the subject of debate and philosophical and conceptual quests.

II
Disruptive Technologies Empower Citizens

The new technologies triggering the Digital Civil Revolution are causing a shift in the triangle of state, market, and civil society that exists in all Western nations and economies. Civil society is becoming more empowered, more autonomous, better informed, and better organized. This will take a lot of getting used to for the state and the market. Executives and active citizens therefore need strategic intelligence to be able to see the disruption of (democratic) politics and public institutions and services coming and take the right steps on time. After all, the Digital Civil Revolution will also change the way we organize ourselves, what our organizations look like, and how our organizations operate. Competition in the platform economy and the internal applications of the same technologies are increasingly turning organizations themselves into platforms as well. This disrupts the role and purpose of managers, which will further propel the shift toward more leadership. It is ultimately about achieving a new blend of management, leadership, and strategic choices, which must also be aligned with the paradoxical phenomenon that the advent of virtual technologies is now actually showing us how important physical, emotional, and direct communication is for us humans. The greatest advance, which is already materializing in some areas, but which has by no means picked up the kind of momentum yet that it has in many market segments, is that of the rise of citizenship platforms. These are platforms that allow citizens with certain ideas and intentions in terms of getting involved and doing their bit to engage with social or democratic issues and policy plans, empowering them to be part of the solution. We still have a long way to go. Although the technology is already available and there are pioneering examples of such platforms and their impact and influence, these innovations are slow to take root due to the ongoing power struggle surrounding them and the lack of civil leadership.