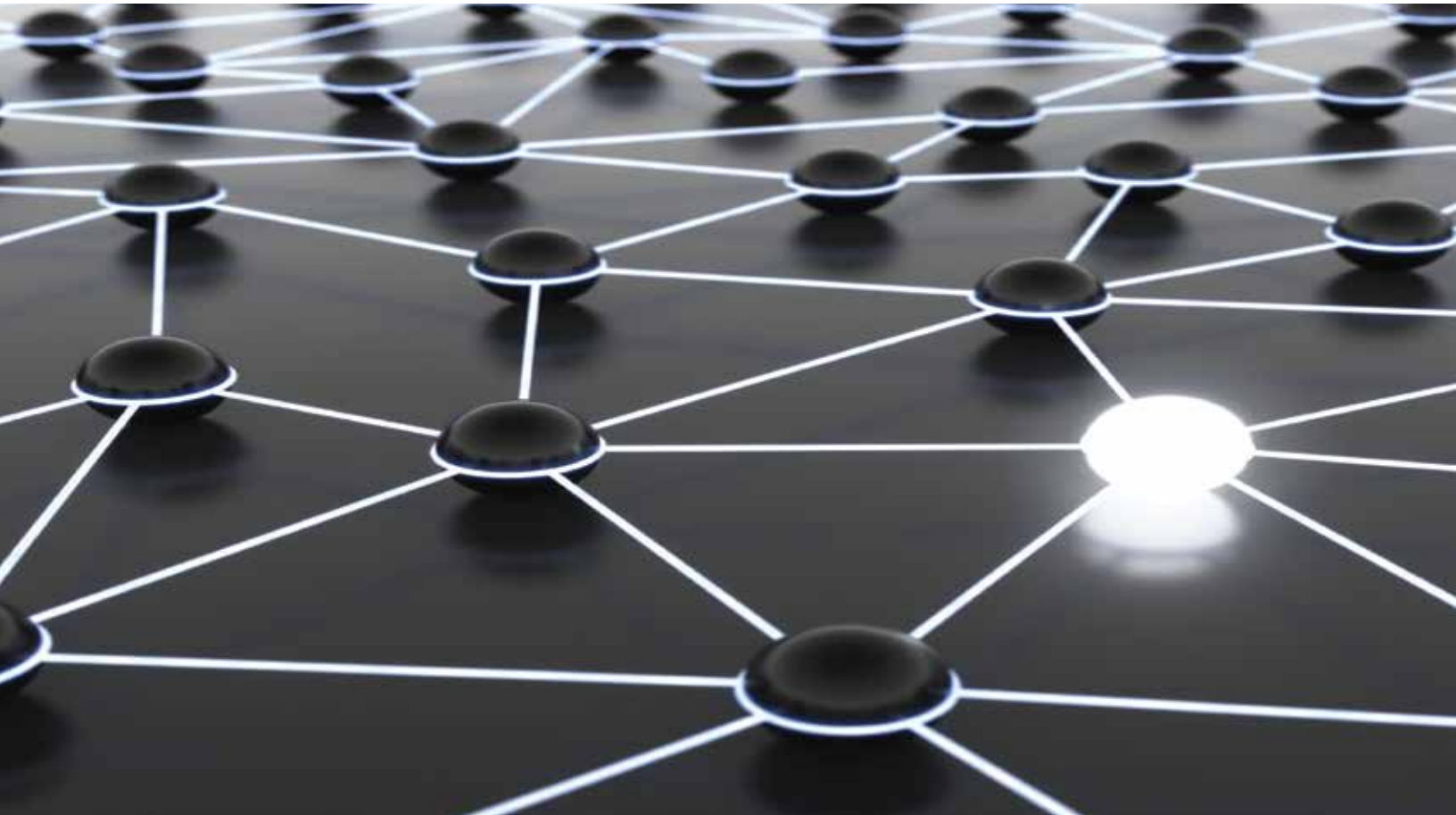


WHITE PAPER

# Network-Savvy Executives

## Five Advantages for Leaders in a Networked World

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# Introduction

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Did you know that there is a hidden structure supporting your organization? We're not talking about brick and mortar or your technology systems. But it's a foundation that is just as important—the networks of informal relationships that connect people within your organization.

In this swiftly changing, complex, and interconnected world, the ability to understand and leverage informal organizational networks is vital for senior leaders. In an environment where tough decisions have to be made quickly and often, you cannot rely on hierarchy or traditional approaches to get information or make things happen.

One of the most important skills to develop for yourself—and your organization—is network perspective: the ability to look beyond the organizational chart to see, understand, and engage the informal, invisible structure supporting the organization. Network-savvy leaders intentionally develop this perspective and create a connected, more interdependent culture. Some take it even further, expanding their organization's network throughout the world.

*Network perspective is the ability to look beyond formal, designated relationships and see the complex web of connections between people in and beyond your organization.*

# The Network Advantage

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Executive leaders who develop a network perspective have five key advantages over their more narrowly focused counterparts:

**They understand how the organization really works.** They look beyond the organization chart and seek to understand how information flows through the complex web of relationships within and across departments and levels.

**They identify, develop, and leverage hidden leaders.** They seek out the informal leaders within the organization and are better able to identify change agents, influential actors, and connectors.

**They understand and strengthen their own personal network.** They actively analyze their own network, along with the opportunities and constraints it presents, and they make deliberate choices to strengthen it.

**They see the organizational network as diverse and changing.** They are able to see how different parts of the organization are connected and how to manage those connections.

**They foster a leadership culture of interdependence.** They know that networks depend on the culture of the organization. If the leadership culture is authoritarian, then leaders can block the free exchange of information. If the culture encourages participative leadership, then networks tend to be well-connected and interdependent.

Ingar Skaug is an example of a network-savvy leader. Skaug is CEO (retired) of Wilh. Wilhelmsen ASA, a leading global maritime transport organization with about 14,000 employees in more than 70 countries. Over the past three decades, Wilh. Wilhelmsen has transformed from a traditional Norwegian shipping business with an emphasis on owning and operating vessels into a best-in-class provider of maritime services for the entire planet.

Wilh. Wilhelmsen's transformation stemmed from Ingar Skaug's own network perspective, and the company flourished by weaving a network perspective into the culture of the organization. Skaug explains:

*When I first came to Wilh. Wilhelmsen, all my managers were focused on their own positions in the hierarchy. In my prior role running Scandinavian Airlines (SAS), I learned to see operations as a web of hubs and routes. I learned to see people and their relationships like that too. Your value as a leader in a global operation comes from how you connect with others in a way that mirrors how the work actually gets done. When managers really started to grasp the network perspective, we became a much more nimble and integrated company. Hierarchy mattered less, and skillful relationships mattered much more. To get to this place required extensive leadership development and a shift to a more interdependent culture.*

Under his leadership, a traditional hierarchy and siloed regions were remade into a much flatter network of connected leaders. Wilh. Wilhelmsen became an innovator in collaborative commerce among diverse transport companies, creating a global web of partnerships learning to operate more interdependently.

According to Skaug, Wilh. Wilhelmsen's achievements are largely based on a strategic approach to leadership development.

Today, CCL provides strategic leadership development by combining a variety of leadership development methods and interventions with network analysis and network-development approaches at four levels:

- **Individual:** Help leaders see and improve their individual networks by developing greater self-awareness through personal network analysis.
- **Team/Cross Team:** Help teams improve how they connect internally with one another and also across boundaries, using boundary-spanning leadership practices, group network analysis, and cross-team action development.
- **Organizational:** Promote a more interdependent leadership culture starting with the senior leadership team. Practices such as shared learning expand individual and collective leadership capacity. Organization network analysis is used to understand the network and suggest ways for improvement.
- **Societal:** Weave multiple external partners into the network of the organization. Participate in a leadership movement for societal change, as part of networks of organizations that are aiming for a similar goal. Social network analysis is used to diagnose networks of organizations and provide insight to develop the leadership strategy and the business strategy.

*Network analysis is the process of getting useful, accurate information about your organization's network by looking at the connections between people. It allows leaders to see the networks within their organization, identify leverage points, and assess change in networks over time. One output is a network map to help you see the overall patterns of connections and also to zoom in on specific ties and gaps:*



Wilh. Wilhelmsen's Ingar Skaug sees network perspective as a strategic priority:

*I believe that it is necessary to encourage and develop individuals and teams to look at their networks and improve them. By raising awareness of organizational networks, the culture becomes more collaborative and innovative. By the end of the day, it has an impact on the bottom line.*

Wilh. Wilhelmsen's network perspective is also vital to its mission to ensure clean water around the world. Because of their experience working from a network perspective, Wilh. Wilhelmsen executives have been able to play a leading role in a network of companies dedicated to clean water. And those collaborations, in turn, strengthen the Wilh. Wilhelmsen organization, according to Skaug:

*Wilh. Wilhelmsen is constantly looking for new ways to strengthen its clean water strategy. In order to address the pressing societal problem of clean water, we partner with multiple organizations across sectors. These robust collaborations within networks of clean water strategies, across boundaries, contribute to successful partnerships and greater business results for Wilh. Wilhelmsen.*



# Network Know-How: A Leadership Imperative

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Network-infused approaches to leadership and leadership development foster the ability to uncover hidden areas of human interactions and connections, within and beyond the organization. By revealing these invisible ties, you can gather information more quickly, leverage internal and external expertise, make better decisions, and build the right strategy—outcomes that are essential to your success.

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