It's Not About the Water

Water scarcity in the U.S. is about the leadership to facilitate change

By Jane Hughes

The media are brimming with articles about the challenges faced by the U.S. water industry, from shortages and aging infrastructure to skyrocketing operational and capital costs. There is great focus on systemic approaches, technical expertise and processes, all of which are important. But what will it take to produce far-reaching and sustainable results for America's water industry that transcend tactics? It's going to take people being aware, owning their part in what's happening and taking different actions. It's the same for any industry under pressure to stop a predictable and unacceptable future from occurring. What's required is a new kind of leadership—one that can intervene in the "drift."

A New Kind of Thinking

The work my colleagues and I do on leadership and performance—work that has been honored with an Association of Management Consulting Firms Spotlight Award three times in the past four years—repeatedly reinforces that "tried-and-true" approaches to tough, emerging problems are seldom the answer. Sometimes leaders reach a point of realizing and accepting this, but then get stuck in triage mode, working constantly to avert crisis. The way forward in impacting the drift—and making something unpredictably positive happen—requires an altogether new kind of thinking.

Recent articles point to the water crisis in long-drought-ridden Australia and the lessons learned. But many focus on the actions taken and miss the point of what compelled those actions in the first instance. When one of Australia's largest rural water corporations was dealing with the country's worst drought in history, its new managing director faced issues ranging from a huge budget shortfall to operational disarray. He saw that a large-scale transformation was in order, and under his leadership—despite loud resistance—he led a cultural shift that enabled the business to deliver on steep objectives considered impossible at the outset. In fewer than 12 months, the corporation rewrote an overly complex tariff structure, put a derailed infrastructure overhaul back on track and produced $24 million in savings.

Rather than getting stuck in logistics and tactics that weren't working, the managing director focused on elevating targets and expectations—and once people were on board with that, they came up with the new tactics needed. What underpins such successes is leadership that compels people to do things and care about their actions in a way that they simply weren't willing or able to do before. In our work with clients, we see transformational wins where a leader is willing to take a bold "stand" for something, engender collaboration and partnership and authentically engage the people who stand between potential disaster and extraordinary results.

Much has been written about California "winning the drought" after the driest four-year period in state history. But by many accounts, it was the leadership of Gov. Jerry Brown that pushed state lawmakers to pass a sweeping groundwater law in 2014, a no-nonsense approach that said no community could pump more water from underground aquifers than it could refill, either via nature or human intervention. No one claims this was a genius approach, but many have said it was the governor's leadership that compelled the collaboration and partnership required to avert looming crisis—and beyond that, inspired a shift in the way regular citizens think about water.

Under the right leadership, people's relationship to anything, including water, can be transformed. It requires enrolling people to freely make a choice to approach things differently. This means people aren't "told" what has to be done, but rather are invited to share in the assessment of the situation and embrace that the possibility of failure is very real unless a sea change takes place. With the freedom to choose accepting defeat or making the effort required to prevail, people most often step up and take a stand with their leadership, and go to extreme lengths to back up their commitment.

This result is not unique to the water industry; we see the same thing in other sectors. Last year, my colleagues were called in to support a high-stakes construction joint venture that was in trouble, with the two lead organizations at odds and regular failures to meet key deadlines. When the senior-most leaders of the venture were pulled together to discuss how to intervene, it became clear that there were clashes in terms of people's relationships to the project schedule. They "didn't believe" the schedule, with teams on one side making assumptions that the other side had a built-in "cushion" that made for unnecessarily tight deadlines. But with newly united joint leadership at the top, the rank and file on both sides began to shift their orientation to the schedule, and within six months pulled together to meet a series of critical deadlines and secure the regulatory approval to move forward and save the project.

Leadership Counts

Recently, we helped engineer the unexpected turnaround of an oil and gas "startup" that wasn't new at all, but the 100-year-old parts of an energy company sold off by a multinational. The new CEO, under pressure to breathe new life into the enterprise, put in place a rigorous leadership development program that ultimately involved people at all levels of the organization, right down to people pumping gasoline at fuel stations. Within two years, the book value of the company more than doubled, and its new brand was receiving accolades nationally and internationally.

Whether it's dealing with a drought, a construction project in jeopardy, a flailing energy spinoff, or any other kind of challenge, it's not about the water, the building, or the oil and gas. It's about the leadership required to challenge where things are headed—unless someone intervenes, and people are inspired to do their part. w&wd

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