



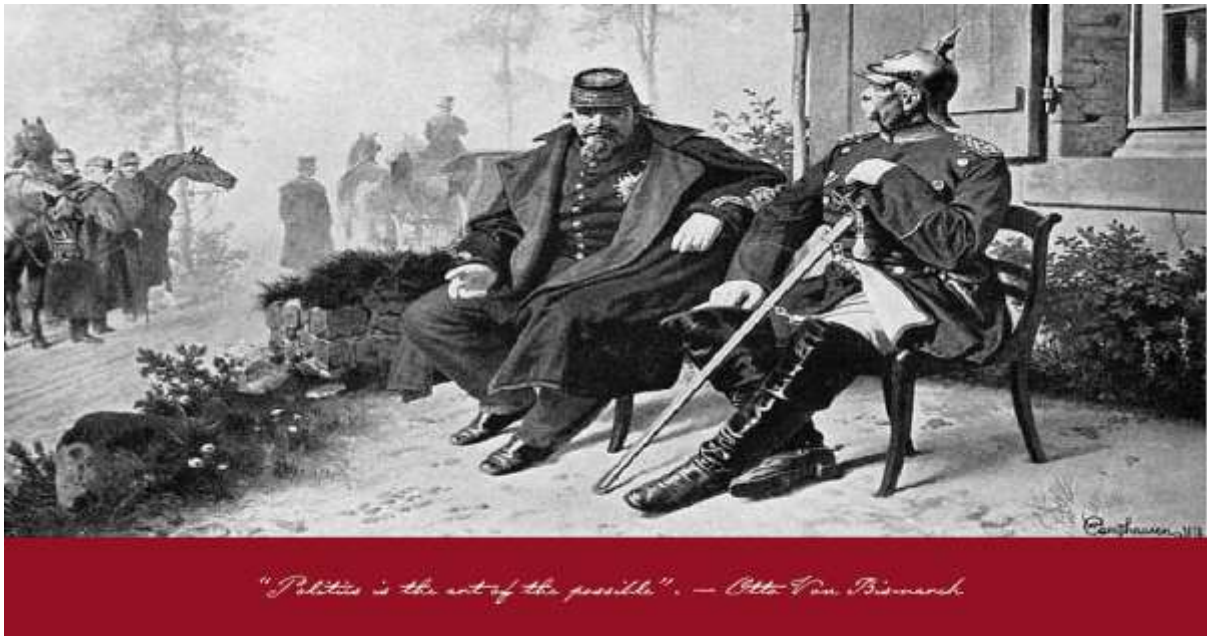
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Executive Search & Board Advisory

## 4 LEADERSHIP LESSONS FROM OTTO VON BISMARCK

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If there was a leader who made Germany a modern, unified nation and a world power it was Otto von Bismarck.

A Junker (a Prussian term meaning wealthy landowners), Otto von Bismarck was born in 1815 growing up on a wealthy family estate situated west of Berlin in the Kingdom of Prussia. As the son of a former Prussian military officer and the well-educated daughter of a senior government official in Berlin, Bismarck was outspoken and highly intelligent. He attended good schools, studied law, and was happily married to Johanna von Puttkamer, a daughter of a conservative aristocratic family in Prussia.

Bismarck commenced his political career in 1847, as a member of Prussia's legislature and gained notoriety for his reactionary politics. He supported Prussia remaining as the Kingdom of Prussia. He was conservative, anti-democratic and anti-socialist. He told one of his fellow conservatives, "We are Prussians, and Prussians we shall remain.... We do not wish to see the Kingdom of Prussia obliterated in the putrid brew of cosy south German sentimentality." Yet at the same time he recognised the future of Prussia relied on the development of the German Confederation which he was later to lead to German unification.

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Bismarck followed Realpolitik politics or diplomacy based primarily on considerations of given circumstances and factors, rather than explicit ideological notions or moral and ethical premises. As such, it shares aspects of its philosophical approach with those of realism and pragmatism and has been described as politics that is perceived as coercive, amoral, or Machiavellian.

From 1851 to 1862, Bismarck undertook a series of ambassadorships to various countries including periods in France and Russia. He became the Minister President of the Kingdom of Prussia in 1862 after having 11 years in foreign affairs. In 1871, the German states united to create the German Empire under Prussian leadership and Bismarck was named as Chancellor of Germany, gaining the name of Iron Chancellor and remaining until 1890.

His mastery of diplomacy and his ability to engage with all leaders across the hot bed of political nationalism in Europe and securing Germany's place has inspired generations and future leaders. Today's politicians and successful entrepreneurs still study his tactics, strategy and style of leadership which allowed him to be immensely successful in arguably some of the more turbulent times in European history. Here are some of the leadership lessons that we can take from him.

### 1. Vision and Perseverance

"A government must not waiver once it has chosen its course. It must not look to the left or right but go forward."

An overbearing tactician and diplomat, Bismarck possessed a long-term national and international vision. While Bismarck was determined to unite the German states into a single empire and make it a major power of Europe, he knew clearly about the challenges he would encounter. He understood that the rise of Prussia would cause alarm from Austria and France. Bismarck fully understood the game of politics and anticipated their concerns, and was able to secure peace and gain their support whereas others may have brought on unnecessary war. He was able to achieve his aims not by force, but by working with his neighbouring heads of state and taking them along a journey and relying on the subtlety and guile of diplomacy and give and take. He was able to put himself into the shoes of others and appreciate how they saw things. Unlike today's politics, Bismarck focused on long term outcomes and knew the unification of Germany was not going to be achieved quickly.

He recognised if Germany was to be unified, Prussia had to take the lead and lay down the foundations. He therefore not only worked on international relationships, he transformed the Kingdom of Prussia. He turned Prussia into a formidable fighting force and thus ensuring he had the strength behind him to deliver domestic reform whilst hold the respect of the neighbouring states. He prevented the spread of socialism by initiating social welfare reforms and introducing health insurance and pensions to a vast population of workers. Internationally, Bismarck successfully took advantage of alliances, tensions and wars. He isolated France and Austria and meticulously defeated them removing any opposition to unification, all the while making them seem like the aggressors and himself and Prussia as defenders of peace. With this achieved and his strategy executed German unification was received as positive rather than fearful news.

## 2. Aggressiveness

“The great questions of the day will not be settled by means of speeches and majority decisions but by iron and blood.”

In his speech to the Prussian Parliament imploring the Parliament to increase the budget provided for military expenditures in 1862, Bismarck claimed, “The great questions of the day will not be settled by means of speeches and majority decisions but by iron and blood.” Through his policy of “iron and blood”, Bismarck swiftly set about securing Prussian dominance over the German states and asserting Prussia as a major in Europe. He insisted that the international policy of a modern state should be built upon the willingness to fight and the willingness to spend vast amounts of public treasure in creating giant armies.

As 'Iron chancellor' of the new Germany, Bismarck was determined to continue in the same vein and build a powerful state with a unified national identity and make the German empire the most powerful in Europe. This was consistent with not only his rhetoric, but his actions. From the very moment Bismarck was appointed Minister President of the Kingdom of Prussia in 1862, he made it clear he would make no compromises and that politics and diplomacy can only achieve when it has the determination behind it. Whilst the master of diplomacy, he was also a brilliant strategist who recognised talk alone would not secure his ambitions for Germany. He knew that consistency of message and action was imperative for European nations to engage in discussion as equals and then to allow him to perform his art in diplomacy.

Bismarck had a vision that required the strength of iron in resolve and the discipline to remain true to the long term plan. He achieved The Three Emperors' League, an agreement made in 1881 that the countries of Russia Germany and Austria-Hungary would remain neutral if any of the other countries went to war with other countries and later the Triple Alliance, a military alliance among Germany, Austria–Hungary, and Italy which lasted from 20 May 1882 until World War I in 1914. Each member promised mutual support in the event of an attack by any other great power. By doing this he secured Germany's security and with it created the industry and innovative super power of Europe and in many cases, the world.

## 3. Innovation and Creativity

“The main thing is to make history, not to write it.”

Bismarck was the pioneer of social welfare reform. To preserve the existing economy in Germany and gain support from the working class, he created the first welfare state in the modern world. In 1883, Bismarck initiated a set of social programs as remedial measures to appease the working class and detract support for socialism by introducing old age pensions, accident insurance and medical care which formed the basis of the modern European welfare state. He also worked closely with large industry to stimulate German economic growth by giving workers greater security. Bismarck in acknowledging the potential spread of socialism decided to innovate and with his social reform was able to meet head on socialism and defeat it. From adversity he recognised opportunity and with that the need for change placing Bismarck ahead of his generation.

### 4. Agility

“With a gentleman I am always a gentleman and a half, and with a fraud I try to be a fraud and a half.”

In 1870, the conflict between France and Prussia was escalated by the candidacy of a Prussian prince to the throne of Spain. France perceived this as an effort to encircle France by an alliance between Prussia and Spain. The candidacy was finally withdrawn under French diplomatic pressure. Bismarck took this opportunity to goad the French into declaring war by editing and abridging the infamous “Ems” telegram sent by King William I of the Kingdom of Prussia. The French were decisively defeated and Prussia was able to score a quick victory over France. Bismarck an agile thinker and opportunist anticipated the outcome and manipulated events so as to be seen as the defender, quickly gaining the support of the German states and appearing as the protector of their rights. Bismarck was pragmatic, commercial in his thinking and had a tremendous understanding of people to take a difficult situation and turn it into a positive outcome. He was able to assess an opportunity quickly and act on it.

Bismarck was an outstanding diplomat and strong-willed leader. He achieved the title of ‘The Iron Chancellor’ for good reason. He navigated the German states to become a united empire and a major power in Europe. He initiated social welfare reforms and maintained the peace and stability of Germany and Europe. Bismarck was charming, witty, changeable, innovative, disliked, resolute and Machiavellian. He was a giant amongst the European leaders and without doubt is one of the shrewdest thinkers, long term planners and leading diplomats history has seen.

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